



U.S. Ambassador Thomas Pickering (left), U.S. Assistant Secretary of State Richard Murphy (centre) and Foreign Minister Yitzhak Shamir prepare for talks yesterday in Jerusalem.

## Pardoned GSS executives: 'We won't quit'

By BARBARA AMOUYAL

The three pardoned General Security Service (GSS) executives have not been asked to resign from the service, nor do they intend to, an authoritative GSS source told *The Jerusalem Post* last night.

According to the source, the GSS men were promised prior to their application for presidential pardons in the 1984 bus hijacking affair, that they would not have to resign as a result of admitted offences.

"It's up to the responsible authorities to honour their promises. These men were pardoned for offences committed while following orders. The pardon effectively erases these offences and removes all incriminating stains, as if the offences were never committed," said the source.

"Nobody has asked these men to resign and it's my firm belief that nobody ever will," said the source. *The Post* has learned that three Labour ministers, apparently during a meeting of the Labour ministerial caucus, recently complained to Prime Minister Peres about the continued service in the GSS of the three pardoned executives. One of the three has since been promoted, and the other two continue to function as the organization's legal advisers.

One other minister, it has been learned, complained to Peres independently about the same subject.

But Peres, according to the source, merely responded that he would discuss the matter with the organization's new chief.

Meanwhile, a source close to pardoned, outgoing GSS chief Avraham Shalom has insisted that Shalom is sticking to his incriminating testimony against Vice Premier Shamir. "It is not feasible that my career and reputation should be ruined when the man who authorized the whole unfortunate affair remains clean and pure and stands to become prime minister of this state," Shalom was reported to have told close associates.

Police sources yesterday refused to confirm reports that Police Inspector-General David Kraus has questioned Shamir about his alleged role in the affair. Sources close to Shamir also declined to comment on the purported meeting, but readily blamed "interested parties," including Health Minister Gur, for the recent press leaks.

Speaking at the special Knesset session yesterday, Gur reiterated that he would not remain in the cabinet when Vice Premier Shamir takes over as prime minister next month. He discussed the matter with his Alignment colleagues earlier this week.

Gur stressed that there was only one reason for his decision: "The

issue of responsibility and the connection between a prime minister and what has become known as the GSS affair."

The issue is par excellence a question of "normative" behaviour, Gur said, adding that he knew that many people would hold that his behaviour ignored political realities. Nevertheless, for him, the issue remained one of "normative values."

"Libelous reports have not made any impression on the vice-premier," Foreign Ministry deputy spokesman Yossi Ahimeir told *The Post*. "Mud-slinging ministers—especially those who have less than 20 days to serve in the government—who prefer to remain anonymous are cowards and do not deserve our comment," said Ahimeir.

Ahimeir would not confirm reports that Shamir is scheduled for a follow-up questioning session today or tomorrow. He added, however, that Shamir intends to cooperate fully and tell "the truth as he knows it" to police interrogators. Kraus, who is vacationing until Sunday, could not be reached for comment.

"It's very unlikely that Shamir will be held responsible for any offences. Likewise, it's very remote that the three pardoned GSS executives will be removed from their posts. I therefore am quite distressed at the thought that the overly touted High

Court case and the ensuing police probe was for naught and that justice will not be done," a former top legal official who asked not to be named told *The Post* last night.

The rift between the state attorneys and the legal branch of the GSS will come up at a special session of the Knesset Law Committee next Monday, at the request of Yitzhak Artzi (Alignment-I.P.).

Artzi, a practicing lawyer, noted in his demand for the session that court files to prosecute alleged terrorists have been held up lately because the lawyers in the district attorneys' offices "have no trust" in the GSS lawyers preparing the evidence.

District prosecutors have been saying that presidential pardons granted to GSS lawyers cannot wipe out the fact that they forged evidence and manipulated statutory inquiries.

Artzi demanded that representatives of the GSS and the prosecutors attend the Law Committee session.

The State Attorney's office issued a statement yesterday that contacts between the prosecutors and the heads of the GSS legal branch have not been prohibited, but that several district attorneys have at their own initiative stopped talking to those whom they believe have violated legal ethics.

## Last-minute hitches threaten Egypt summit

By BENNY MORRIS

Post Diplomatic Correspondent

The count-down to next week's planned Peres-Mubarak summit apparently hit major snags yesterday, with Prime Minister Peres declaring that the last-minute difficulties had left the meeting "up in the air."

Officials in Jerusalem wavered between two explanations of the snags, alternately attributing them to last-minute hesitations by President Mubarak, who may in fact have decided to call off the meeting altogether, or to a desire by the Egyptians to cash in on Israeli eagerness for the summit to elicit additional concessions.

Though Peres did not elaborate at his meeting with the foreign press corps in Jerusalem about the nature of the last-minute difficulties, they are understood to concern the selection of the international arbitrators in the Taba border dispute, and the marking of conflicting claims in Taba and the other disputed zones.

Foreign Ministry Director-General David Kimche and ministry legal adviser Robbie Sabel yesterday made no progress in Cairo in selecting arbitrators. Israeli officials blame the lack of progress on Egyptian obduracy, saying that Cairo has rejected every name proposed by Israel, but has failed to propose any names of its own.

Foreign Ministry officials also said that the Egyptian surveyors participating in the border marking around Taba were raising "nonsensical" last-minute problems relating to the size of the border markers which

must be put in place before mapping can proceed.

These officials also noted that Egypt has so far prevented the start of the American search for the lost Israeli submarine *Dakar* off the Egyptian coast. (See story p.2).

Officials at the Prime Minister's Office, however, remained hopeful that U.S. Assistant Secretary of State Richard Murphy, who is due to fly to Cairo this morning, would manage to solve the remaining problems. But these officials dismissed the notion of American pressure being applied to Cairo to drop its hard line regarding the Taba border and the arbitrators.

Officials in Jerusalem nevertheless remained concerned about the prospective agenda for the summit, with Mubarak believed to be demanding greater Israeli flexibility on Palestinian representation than Peres, in his talks with Murphy, has thus far agreed to.

Meanwhile, as Mubarak was worried about his Palestinian flank, Peres was under attack from Likud ministers, who fear, or claim to fear, that the prime minister may have gone beyond the national unity government guidelines in his talks with Murphy.

Minister without Portfolio Moshe Arens and Industry and Trade Minister Ariel Sharon both demanded at a meeting yesterday of Likud ministers that the inner cabinet convene immediately to discuss the prospective summit and Israel's positions to be presented. Foreign Minister Shamir reportedly stressed there and at a meeting earlier with Murphy that Peres must stress nor-

malization and bilateral issues at his meetings with Mubarak.

The Likud ministers' meeting expressed concern that Peres in his talks with Murphy and in his projected talks with Mubarak had strayed or would stray beyond the government guidelines on the subjects of Palestinian representation and on the international conference.

Murphy, after meeting yesterday with Shamir, flew to Amman for further talks with Jordanian officials, and was expected to reach Cairo today. He did not seem optimistic about the possibility of U.S. Secretary of State George Shultz joining the Peres-Mubarak talks, as Peres has requested. Shultz apparently will agree to join the summit only if one or both sides agree in advance to make and publicize substantive concessions.

Mubarak's aide Osama al-Baz yesterday flew to Amman, apparently to discuss the problem of Palestinian representation. Peres, Murphy and Mubarak all hope to end the prospective summit, if it takes place as scheduled in Alexandria on September 10-11, with a joint declaration which will also be endorsed by, or at least be amenable to, Jordan.

Peres said yesterday that in the talks with Murphy he had tried to "formulate (a peace) strategy for the next two or three years."

Observers suggested that Peres meant that the prospective joint Alexandria declaration and the positions enunciated would set the future of the peace process in a mould which would also bind Shamir, after he takes over as premier next month.

## U.S.: Still problem over agenda

By WOLF BLITZER

Jerusalem Post Correspondent

WASHINGTON. — U.S. officials yesterday said there is still some uncertainty whether Prime Minister Peres and Egyptian President Mubarak will hold their long-awaited summit, although they believe it will take place.

But they noted that there are some serious obstacles standing in the way and that there is not much time left to resolve them before the meeting scheduled for September 10-11.

They indicated the problems were largely in the agenda for the summit.

They also expressed doubt that Secretary of State George Shultz would participate in the summit. Peres has been strongly encouraging Shultz to do so.

But many top State Department officials believe that a Shultz journey would raise too many expectations that a breakthrough in peace efforts is imminent.

U.S. officials insisted that the two unresolved Taba-related problems—namely, the drafting of a land survey around the disputed area and the naming of the three international arbitrators—could be resolved relatively quickly. "That's not the problem," an authoritative American official said.

What is more serious, the official continued, are the problems surrounding the summit's proposed agenda. Egypt has maintained that the major issue should be the stalled Arab-Israeli peace efforts. "The Egyptians want to protect their Arab flanks," the official said.

As a result, Egypt has been seeking some serious Israeli concessions regarding the Palestinian question which could be announced at the end of the summit.

Irrespective of the Peres-Mubarak summit, the prime minister is still certain of coming to Washington on September 15 for talks at the White

House with President Reagan. From Washington, Peres is to fly to Canada on a three-day visit which will bring him to Ottawa and Montreal. He will then travel to New York before returning to Israel near the end of the month.

## Weizman returns

BEN-GURION AIRPORT (Itim). — Minister without Portfolio Ezer Weizman returned from his short visit abroad yesterday and said that the implications of his meetings with German and Italian leaders had been greatly exaggerated by the press.

In reply to questions about the reported pending resignation of Health Minister Gur, Weizman said: "I heard of his plans even before I left. And I respect his decision. But I intend continuing to serve as a minister even after the rotation."

## Rabbi Hacohen assails 'flea market mentality'

By DVORAH GETZLER

Post Knesset Reporter

Knesset members summoned into special session yesterday in the middle of the summer recess were unmoved by Rabbi Menachem Hacohen's impassioned words against Kibbutz Nir Eliyahu's sabbath flea market. They voted 26 to 14 against the Alignment MK's motion to have the plenum debate the issue.

The focus of Hacohen's argument was what he called the country's wholesale abandonment of ideals.

It was not of the *status quo* that he wanted to speak, he said, but of Israel's *quid pro quo*.

He paid the usual compliments to the kibbutz movement as Israel's

"backbone par excellence," terming it "the most meaningful creation of the renaissance Jewish people."

But, he said, the flea market was nevertheless the most dangerous symptom of the deterioration of Israel's Jewish and social character.

From a flea market run by a kibbutz, the Labour MK said, it was but a short jump to the casinos that some residents of Mitzpe Ramon and Yeroham think should be opened there to solve their economic problems.

What Hacohen termed "the flea market mentality" had even infected the university heads and the hospital nurses, he said. Both had shown this week that they believed they could

easily hold hostage the students and the ill.

The Alignment's only Orthodox MK appealed passionately to the country's secular majority to do something for sabbath observance. "You don't have to be Orthodox to observe Shabbat," he said.

Minister of Religious Affairs Yosef Burg invoked the ideologists of the Labour movement, Ber Borochov and D. Gordon who, he said, had never, even in their blackest nightmares envisioned a kibbutz flea market.

Burg linked the erosion of sabbath observance to the recent killing of a 15-year-old youth in a brawl that started in a discotheque. He fulminated against the manner in which one

sin led to another in a fearful "dynamic of transgression."

But, interjected Yossi Sarid (Citizens Rights Movement), was the minister not forgetting a similar brawl in a yeshiva earlier this year? That, too, had left one teenager dead, he pointed out.

The CRM's Shulamit Aloni suggested that how people spend their sabbath is best left to them to decide. If some people find the flea markets a source of pleasure, as others do football, they should be free to indulge in them, she said.

Football, interjected Charlie Biton (Democratic Front for Peace and Equality), would remain inviolate. "Heads will be broken before anyone touches that."

## Navon, Knesset panel blast university deposit

By BERNARD JOSEPHS

Jerusalem Post Reporter

The Knesset Education Committee yesterday called on the country's crisis-hit universities to drop plans to charge students a NIS 1,500 deposit before they return to their studies.

Committee Chairman Nahman Raz (Alignment) and Education Minister Navon both condemned the plan as unjustified. Navon added that it could not be morally defended.

The committee also called on the Treasury to drop plans to cut higher education spending by \$10 million this year. University heads have said this cut makes the deposit and a reduction in the number of students essential.

Leaders of the National Union of Students, who yesterday voted unanimously to boycott the start of the academic year in November if the deposit is imposed, told the committee they believed they are pawns in the battle between the universities and the Treasury.

"Our members can't afford these kind of fees,"

said student union chairman Eyal Jaffe. If things continue this way the universities will become research centres without students. We won't be able to attend lectures because we will be too busy working to pay our fees."

In other countries, he said, students receive grants to study, while here they are asked to give grants to the universities.

The imposition of the deposit—to be returned at the completion of the studies—is separate from tuition fees of more than NIS 2,000.

Prof. Michael Albeck, chairman of the Committee of University Presidents, said there was no choice but to introduce the deposit in the face of a crippling shortage of money.

"Our budgets have been cut extensively over the past 13 years," he told the MKs. We are unable to renew scientific equipment, he said. "Our libraries are substandard and we are chronically short of equipment."

"We lack \$50 million because of continual cuts, and we can't tolerate our deficits," Albeck said.

He said the presidents all agreed they had no option but to impose a deposit. "If anyone has any better suggestions we would like to see them."

Navon said he objected to the university heads' plan on moral grounds. There had been an agreement not to raise students fees, he said. Now, on the eve of the academic year, the universities were changing the basis of the agreement. It is a matter of principle, he asserted.

Raz attacked the plan, saying: "To impose another NIS 1,500 fee on the students towards the start of the educational year and as a condition for studying seems to us to be unjustified."

"The universities' fight is with the Treasury and not with their students," he added.

The issue was also taken up at the Knesset plenum yesterday where Amira Sartani (Mapam) called on the higher education presidents to cancel the deposits. She was supported by Navon, who warned that the situation in the universities had gone past "the red line."

## Shamir gives young Labourites a lesson in politics

By ROY ISACOWITZ

Post Political Reporter

TEL AVIV. — Vice Prime Minister Shamir met with the Labour Party Young Guard last night and took the opportunity to claim credit for the recent diplomatic gains in Africa and Eastern Europe.

He also announced his intention, when prime minister after rotation, to revive the autonomy proposals of the Camp David peace accords. The recent flurry of peace initiatives had come to nothing, Shamir said. "No better, more realistic programme (than Camp David) has yet been found."

It was difficult to understand what Young Guard Secretary Ephraim Zinger, the initiator of the meeting,

thought he would get out of it. Surely he did not believe that his youthful legions (sorely depleted by a stay-away in protest against the invitation to Shamir) would get the better of the wily old fighter?

As it turned out, Shamir gave them a lesson in politics, deftly and humorously turning aside the most pointed and potent questions. It was the performance of a man who knows that he's going to be prime minister in a few weeks and doesn't mind if it shows.

Not that his answers were models of informed political analysis; much of the time he sounded like a starchy devotee of Positive Thinking, convinced that every problem has a solution if you want it enough.

Shamir cleverly defused his opponents by praising them at the outset for the tolerance they had shown in inviting him. After that, all he had to do was leave it up to Zinger; he, for one, did not want to appear intolerant.

Taking issue with the assertion that his tenure in the Foreign Ministry had been stagnant, Shamir listed a long and impressive list of achievements. Under his tutelage, the way into Africa had been reopened, he said. He himself had initiated the process with Cameroon when he met with that country's foreign minister in New York, he said.

Likewise with the countries behind the Iron Curtain. "I take credit for beginning the breakthrough with

the Communist world," he said, adding that he and Prime Minister Peres are of the same mind on renewing links with the Eastern Bloc.

Shamir said nothing that would detract from Peres's current peace efforts, though he made it clear that he holds out little hope for their ultimate success. His own preference, he said, is the Camp David accords—as he had told U.S. Assistant Secretary of State Richard Murphy yesterday morning and intends telling the Egyptians as soon as he meets them.

Regarding the education budget dispute, he made known his strong opposition to levying a NIS 1,500 deposit on university students.

Other than those few straight

answers, the rest of Shamir's words had little to do with the questions. He showed himself to be a zealot, invoking mystical beliefs and a sense of mission whenever anything nasty was mentioned.

Questioned as to what sort of country Israel would become if it continued to rule indefinitely over more than a million Arabs, Shamir replied:

"Don't look at the moment, look at the past and the future... There must be seven, eight, nine million Jews here and if we want it, it will be... We mustn't see the situation statically, as it is at the moment... if we want it, the future is ahead of us... If you are satisfied with what is, you have no hope."

## All the king's horses and all the king's men...

TEL AVIV (Itim). — For 10 days, the waiting cat stuck at the top of a tall tree in the Defence Ministry compound here stumped soldiers, firefighters, workers from the Ramat Gan Safari Park and members of the Society for Prevention of Cruelty to Animals. None of them could figure out a way to get the animal down.

Finally, the cat was rescued by two young rappelling enthusiasts, skilled in handling steep drops by means of ropes.

When the cat first got stuck at the top of a 10-metre-high tree, the soldiers working in the area noted its predicament and after several days called the SPCA. The SPCA was stumped and called the firefighters.

When the water cannon loosed by the fire brigade failed to dislodge the hapless animal, the Safari experts were called in. They couldn't get into range to fire their knock-out darts, so they suggested calling in the Nature Protection Society.

The nature experts suggested calling on the mountain-climbers who did the job to the cheers of dozens of soldiers who watched the delicate operation.

The SPCA reports that the cat, who had nothing to eat or drink for 10 days, is recovering nicely from his exploits.

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## The weather at major Swissair destinations

	3.9.86	MIN.	MAX.	
AMSTERDAM	8	16	19	Cloudy
BRUSSELS	8	16	19	Cloudy
BUEENOS AIRES	16	21	23	Rain
CHICAGO	15	20	28	Cloudy
COPENHAGEN	11	15	17	Cloudy
FRANKFURT	11	15	17	Cloudy
GENEVA	9	14	23	Clear
HAMBURG	12	14	19	Cloudy
JERUSALEM	26	29	31	Clear
LONDON	17	21	28	Clear
LONDON	12	14	16	Cloudy
MADRID	18	21	28	Clear
MONTREAL	13	15	20	Cloudy
NEW YORK	14	18	22	Cloudy
PARIS	14	18	22	Cloudy
RUDE JANEIRO	12	14	19	Cloudy
SAO PAULO	9	14	19	Cloudy
STOCKHOLM	10	14	17	Cloudy
TOKYO	25	27	28	Rain
TORONTO	18	21	27	Cloudy
VIENNA	18	21	27	Cloudy
ZURICH	22	23	26	Clear

\*For the latest weather conditions contact Swissair.

Tel Aviv, 41 Ben Yehuda St. (03)345350  
Jerusalem, 20 Jaffa St. (02)252523  
Paris, 25 rue de la Harpe (01)252523  
Geneva, 25 rue de la Harpe (01)252523  
Cairo, Ben Gurion Airport (03)371215

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## THE WEATHER

	Yesterday's Humidity	Yesterday's Min-Max	Today's Min-Max
Jerusalem	43	15-30	20
Golan	43	15-30	20
Nahariya	49	17-29	28
Safed	49	17-29	28
Tel Aviv	61	22-36	35
Hatifa Port	57	22-32	32
Nazareth	57	22-32	32
Alula	57	22-32	32
Shomron	57	22-32	32
Tel Aviv	76	25-30	30
B-G Airport	62	21-31	30
Jericho	34	22-37	37
Safed	36	19-34	33
Gaza	26	19-34	33
Beersheba	19	27-39	39
Eilat	19	27-39	39

## SOCIAL & PERSONAL

President Herzog yesterday received the foreign minister of Honduras, Carlo Lopez Contreras, at Beit Hanassi.

Rabbi Leib Weisfish of Natorei Karta will speak on "Nietzsche as Holy Man" at the Tsavta Club in Tel Aviv on Sunday at 8:30 p.m. Moderator will be Muki Tsur.

## Two die on roads

**GAZA STRIP (Itim).** — One man was killed and 16 injured early yesterday morning when two buses on which they were travelling on the road around the city of Gaza collided head on. Both buses were carrying workers from the Gaza Strip.

One of the bus drivers apparently decided to pass a taxi on a blind curve just as the second bus was entering it from the other direction.

Eighteen-year-old Rachel Baghdad was killed after midnight Wednesday when the car in which she, her sister and two young men from Rosh Ha'ayin were riding, left the road and overturned on the Tira-Tayibe road.

In Nahariya a nine-year-old cyclist died after colliding with a truck on Tuesday afternoon, police reported yesterday.

Amir Sloush, a resident of the town, apparently cycled into the path of the truck from between two parked cars. Police are appealing for witnesses to the accident.

## Hang-glider killed

**By MENAHEM HOROWITZ**  
Jerusalem Post Reporter  
**KIRYAT SHMONA.** — Yoram Mohilever, 40, of Jaffa, was killed yesterday while hang-gliding in the southern Golan, according to police. Mohilever was gliding with two companions when his harness apparently failed and he dropped straight to his death.

Another two companions on the ground witnessed the accident and photographed Mohilever as he fell.

## Jazz band mistaken for Black Hebrews

**BEN GURION AIRPORT (Itim).** — Five members of the Olympia Jazz band from New Orleans, all of them over 75 years old, were held up at passport control here for two hours yesterday because the authorities suspected that they might be Black Hebrews trying to enter the country illegally.

The men, who entered the arrivals building wearing red sport coats and identical hats and carrying their instruments, stood at the passport-control counters for two hours until their entry was approved. They are to perform for a month at a nightclub in Jaffa.

## HOME AND FOREIGN NEWS

# MK Grossman scores neglect of towns in Negev

**By DVORAH GETZLER**  
There are only four pupils in Mitzpe Ramon high school's 12th grade. The Negev development town has 700 empty apartments and 150 families have left in the past year. Chaika Grossman (Mapam) told the special session of the Knesset yesterday.

She was proposing one of two motions for the agenda on the parlous financial situation of Mitzpe Ramon and Yeroham.

Grossman contrasted the state of the Negev towns with those in the

West Bank where, she said, jobs and money are being poured in to raise "little ultra-Orthodox Jews."

In the Negev all the population of the development towns seek employment, decent services and development, she said.

Replying, Finance Minister Nissim said that the government aimed at specific solutions to specific problems. It fears the establishment of precedents that might be seized on by others, less deserving of concessions, he said.

But, he said, there are moves afoot to establish a hotel in Mitzpe Ramon, and other concerns are being moved there.

Both motions were referred to the Finance Committee.

Also referred to this committee was a motion for the agenda by Ephraim Shalom (Alignment) who drew the House's attention to the dire straits of the moshavim.

Shalom said that only 60 moshavim are in serious financial trouble. But the system of mutual aid that

links the settlements placed a heavy burden on all of them, he said.

He scored the haste with which the government had voted to bail out the Elscint company and the foot-dragging that, by contrast, he said, marks the attitude to the moshavim.

Agriculture Minister Arye Nehamkin, acknowledging that the moshavim are going through hard times, offered little comfort or hope.

The kibbutzim are in a similar situation and the state of the development towns is even worse, he said.

## Dakar hunt likely next week

**Post Defence Correspondent**  
Israel expects the search for the Dakar submarine, lost at sea with 69 men aboard in 1968, to begin by early next week.

Authoritative sources told *The Jerusalem Post* yesterday that no indication had been received here that the Egyptians had held up the search by a U.S. Orion aircraft, as had been reported by some newspapers yesterday. The sources said that from the start the search was to be conducted "between the last

week of August and the end of the first week of September," and was thus still within the "designated time frame."

The search is to be conducted by a specially equipped Orion plane that will scan the ocean floor in the area off Alexandria. If evidence is found to indicate the position of the submarine, a more extensive sea search will be launched at an unspecified date. The search is the result of an Israeli request to the U.S. that received Egyptian approval.

## Gush prayer demonstration planned in Jericho today

**By JOEL GREENBERG**  
Jerusalem Post Reporter

Gush Emunim may try to turn its scheduled prayers meeting today at the ancient synagogue in Jericho, into a demonstration in support of Jewish settlement in that Arab town.

One of the Gush settlers said no army permit had been requested for the meeting, but said the local IDF command had been notified of the event. Gush Emunim has chartered buses to bring demonstrators to the site.

MK Yossi Sarid (Citizens Rights Movement) yesterday urged in a telegram to OC Central Command Aluf Ehud Barak that the army take measures "to prevent a deliberate provocation against the residents of Jericho and the IDF."

In other developments, the Judea, Samaria and Gaza Settlements

Council is to meet soon to discuss Jordan's growing involvement in the West Bank Council, its secretary, Omri Shmeller said yesterday.

Yisrael Harel, editor of the *Gush Emunim Nekuda* weekly told *The Jerusalem Post* of concern among settlers that Israeli agreement to increased Jordanian influence in the West Bank would be a prelude to a return of the areas to Jordanian control.

An editorial in the current issue of *Nekuda*, warns that though expansion of Jordanian influence is at the expense of the PLO, "the danger from Jordan to the future of settlement in Judea Samaria and Gaza is no less than that posed by the PLO." The editorial called on the Settlers Council to wage a public campaign "to expose King Hussein's return to the West Bank."

## Talks on nurses resuming

**Jerusalem Post Reporter**

Health Ministry sources yesterday were optimistic that a strike by the country's hospital nurses could be prevented and a comprehensive agreement with them could be signed.

No meetings were held yesterday between the nurses and the employers. They are due to confer today with the Histadrut's Haim Haberfeld, Treasury officials and Health Ministry Director-General Dan Michaeli.

Replying to two motions for the agenda at yesterday's special Knesset session, Health Minister Gur said the gap between the nurses' demands and what the government could afford to pay had not narrowed. He termed any strike "unjustified."

In some cases, the minister said, according to the nurses' demands would mean raising salaries by as much as 200 per cent.

**Liora Moriel adds from Beersheba:** The Soroka Medical Centre's 750 paramedics are threatening to shut the outpatient clinics, possibly from today. Haviv Kedem, chairman of the staff committee, said here yesterday. As of Monday, the paramedics have forced the hospital to admit only emergency cases for treatment.

Soroka Hospital is the only one in the Negev region, serving a varied and scattered population. Only about a third of the paramedics work full-time, and both Kedem and the hospital's administrator, Shalom Barashi, complained to *The Jerusalem Post* about the lack of professional nurses.

This month alone, 139 nurses will be leaving the hospital — some on extended leaves of absence, some on maternity leaves and some for re-training programmes and relocation elsewhere, said Kedem.

## 33-year-old charged in Ramat Gan rape

**By YORAM GAZIT**

**TEL AVIV.** — A man caught early Sunday morning as he was peeping into a woman's apartment on Sderot Hen here has been charged in the August 20 rape of a Ramat Gan girl, police said.

The 33-year-old Ramat Gan resident is married and the father of two children. He is accused of raping the 17-year-old girl on August 20 in Ramat Gan as she returned home from a babysitting job. It was the fourth rape in the Tel Aviv area in the last few months.

When arrested Sunday at 12:30 a.m., the suspect did not offer any explanations as to why he was in the courtyard of the Sderot Hen apartment house, police said.

The rape victim will attempt to identify the suspect in a police lineup today. Police said he fits the girl's description of the rapist. A 13-year-old girl was raped in an empty construction site three months ago in Ramat Gan near the site of the August 20 rape.

## Nineteen Soviet Jews reach Israel in August

**GENEVA (AP).** — The number of Jews allowed to leave the Soviet Union rose to 88 in August, up from an 11-month low of 31 in July, officials said yesterday.

Nineteen of the emigres went to Israel and the rest travelled to Italy

to obtain visas for other destinations, said a spokesman for Intergovernmental Committee for Migration.

The August figure brought the 1986 total to 535. Last year, Soviet authorities let 1,140 Jews emigrate, for below the peak in 1979 when 51,330 were granted exit visas.

## Arafat chairs session of non-aligned summit

**HARARE, Zimbabwe (Reuters).** — PLO leader Yasser Arafat yesterday took over the chair of the non-aligned movement summit for several hours.

Arafat substituted for Zimbabwean Prime Minister Robert Mugabe, newly elected chairman of Third World organization.

## UN's Marrack Goulding to visit Middle East

**UNITED NATIONS (Reuters).** — UN Undersecretary-General Marrack Goulding will visit the Middle East next week to discuss problems facing the UN Interim Force in Lebanon (Unifil), a UN spokesman said yesterday.

## Team bores into pyramid

**GIZA (Egypt) (AP).** — A French-Egyptian team of scientists and engineers began boring yesterday into a stone slab covering a secret cavity in the heart of the 4,500-year-old Cheops pyramid, one of the world's great monuments to the dead.

Using the latest in high technology equipment borrowed from two French companies, the team hopes by the weekend to shove a minuscule camera through a hole 3cm in diameter to take a peek inside the chamber.

The initial bore in the 3-metre slab yesterday was 55cm.

Nobody knows what's inside the chamber, and experts have speculated that it may contain nothing more than modern, polluted air, or that it may hold treasures beyond imagination like those that greeted Englishman Howard Carter when he entered the burial chamber of boy pharaoh Tutankhamen in 1922.

The attempt, spearheaded by

French architects Gilles Dormion and Jean-Patrice Goldin, to unmask the latest secret of the great pyramids has not met with universal approval in Cairo. Some critics in the local press have even speculated that piercing the slab might topple the mammoth structure of 2.5 million limestone blocks.

The three great pyramids of Cheops, Chephren and Mycerinus, the last of the seven wonders of the ancient world, were built over a 70-year span more than 4,500 years ago. Cheops' pyramid, the largest ever, slightly outstrips Chephren's in size and dwarfs that of Mycerinus.

Archaeologists have analyzed and reanalyzed the pyramids and the huge necropolis of the surrounding Giza plateau just outside Cairo, but they admit that many mysteries remain.

Perhaps the greatest is how the ancients built the pyramids.

## Syrians moving into South Lebanon

**By MENAHEM HOROWITZ**

**JERUSALEM POST REPORTER**  
**METULLA.** — Lebanese sources said yesterday that Syrian forces are moving in strength into South Lebanon not far from the security zone.

The Syrian troops appear to be seeking to take up positions in the area and are attempting to break through and strengthen their presence in the area of Jezzine, the sources said.

The Syrians apparently are taking advantage of the recent tension be-

tween the opposing Arafat and Abu Musa wings of the PLO in the area of Sidon, where Lebanese sources say the local Fatah commander was killed recently by two Abu Musa supporters.

The Syrians are exploiting the incident to increase the size of their forces near four large refugee camps in the area. This will enable them to command the roads leading to Christian Jezzine which is occupied by a strong contingent of South Lebanese Army troops.

## PLO terrorists creeping back into Lebanon

**By DAVID RUDGE**

**JERUSALEM POST REPORTER**  
**UPPER NAZARETH.** — PLO terrorists are creeping back into Lebanon, although not into the security zone, OC Northern Command Aluf

Yossi Peled stated yesterday. He declined to say where the terrorists have established themselves, or in what strength.

Peled was speaking to reporters during a visit to this town.

## 'Subsidize only top-priority students'

**By DVORAH GETZLER,**

**Post Knesset Reporter**  
If MK Benny Shalit (Likud-Liberals) had his way, the state would set priorities for university studies and only those students fulfilling national needs would benefit from subsidized tuition.

Speaking to a motion for the agenda by Charlie Biton (Democratic Front for Peace and Equality) which deplored the proposed compulsory loan that university heads have im-

posed on all students, Shalit told an all-but-empty plenum that this was his solution to the universities' financial crisis.

Students taking non-priority subjects were in any case potential emigrants, Shalit said, since they were being educated beyond the level of the jobs available to them.

The government, he suggested, should set the priorities, and could revise them from year to year as it saw fit.

# 'Consumer spending may block our growth'

## IN PERSON

ROY ISACOWITZ

Economics Minister Gad Ya'acobi is "very doubtful" whether the government in the coming weeks will have the political will to do what is necessary to ensure continued economic stability. The upcoming rotation, he says, is likely to inhibit rational economic decision-making.

Ya'acobi is worried by the way things are going in the economy. Israel, he says, should already be at the start of a growth process; instead, "the only growth I see is the growth in consumer spending." The inevitable result will be a worsening of the trade balance, an increase in the GNP due to the rise in domestic consumption and resurgent inflationary pressures.

He is also concerned that the government is not doing enough to create an appropriate economic climate. Growth should be a natural product of the system and should not be dependent on government intervention, he says.

An indispensable element of this climate is tax reform, Ya'acobi says. The Treasury is talking about introducing a new tax system next April; Ya'acobi believes that it should be introduced no later than next January. The reform, he says, must lower tax rates, lower the cost of labour and decrease incentives to cheat on taxes.

Ya'acobi is particularly concerned about what he believes to be the misallocation of resources. He quotes from a telegram he received from several development town heads in which they protest the cessation of construction in their areas due to budgetary constraints.

"The entire annual budget for development towns is \$6.5 million," he says. "At the same time, the Investments Authority has allocated \$10.5m. for the construction of high-tech industrial parks in the occupied territories."

He is bitterly opposed to the projected cuts in the education and health budgets, maintaining that the \$10.5m. earmarked for under-populated settlements in the areas could go a long way towards saving the education system.

Within the next three weeks, Ya'acobi intends to submit a proposal to the cabinet to redefine development area priorities. According to his proposal, the determining factor will be distance from the centre of the country. New settlements close to the centre of the country, many of which are in Samaria, would receive low priority, while those farther away would be upgraded. It is, he says, a uniform system which would rationalize the virtual anarchy that now prevails.

While debunking the "exaggerated optimism" of several of the country's leading economic spokesmen, Ya'acobi is quick to give the austerity programme its due. The programme, he says, has been a "dramatic success" and provided a "positive basis for growth."

The success of the next step depends on the ability of the Likud and the Labour Party to find ways to work together after rotation. When Labour gave the main economic portfolios to the cabinet in the coalition agreement, it was "not aware of the significance of the move," Ya'acobi says. Now, with only six weeks to go before the changeover, Labour is demanding an active economic role for Shimon Peres.

The alternatives, he says, are either giving Peres the chairmanship of the ministerial economic committee, a position occupied by Ya'acobi himself today, or the establishment of a special group — consisting of the prime minister, the vice premier, the finance minister and the chairman of the ministerial economic committee — to coordinate economic policy.

The Likud should be interested in meeting Labour's demands, Ya'acobi says, because "without cooperation in the economic field, the government simply won't function."

## German lawyer seeks to bar witness for Jewish connection

**FRANKFURT (Reuters).** — A lawyer defending two doctors accused of helping to murder thousands of people in a Nazi euthanasia programme yesterday urged a court to reject evidence from a psychiatrist with a Jewish grandfather.

Defence lawyer Wolfgang Meub argued to the Frankfurt regional court that Ernst-Joachim Meyer, a professor of psychiatry at Goettingen University, was an interested party in the case because his grandfather was a Jew.

Meyer was called to give expert evidence in the trial of gynecologists Aquilin Ullrich and Heinrich Bunke, both 72.

They are charged with being accessories to the murder of 6,500 people under the "T4" euthanasia programme started in 1940 to exterminate the mentally disabled. Meub said Meyer had misunderstood his task and believed he had to help convict the two doctors.

Meyer is an interested party "because he is linked through his grandfather with the people that were

supposed to be exterminated under National Socialism," Meub said.

Public prosecutor Hans-Hermann Eckart told the court the "monstrous claims" of the defence were almost a punishable offence. The two doctors and defence had clearly learned nothing from history, he said.

About 70,000 mentally disturbed people were killed in the T4 programme before it was stopped in 1941 because of public objections.

Meyer was asked whether the victims of the euthanasia scheme had been "vegetables" with no will to live. The psychiatrist said in his evidence that this was not the case, as most of them had realized to some extent that they were in danger.

This runs against the argument of the defence that the two doctors were acting out of "pity and love". Ullrich and Bunke have so far not made any statements themselves in the trial, which started in January.

They were acquitted in an earlier trial in 1967 on the grounds that they believed they were acting in accordance with the law. Both continued practising until the early 1980s.

## Negev lands official charged in court

**BEERSHEBA (Itim).** — The head of the Israel Lands Administration Negev Region, Ephraim Karon, has been charged with breach of trust and conspiring to commit a crime. Karon was charged last month but the Beersheba court forbade publication of the fact until yesterday.

The charge deals with the period up to 1982 in which Karon served as the ILA's regional legal adviser. He

is accused of having approved special aid and concessions to a private contractor who was a client of the law firm which Karon later joined.

It is learned that Attorney-General Yosef Harish and State Prosecutor Yona Blattman have asked Civil Service Commissioner Avraham Nathan to suspend Karon for the duration of the legal proceedings against him, but this has not yet been done.

## Rabbis urge refusenik to end hunger strike

**Jerusalem Post Staff**

The chief rabbis have asked refusenik Yosef Irlin to end a 21-day-old hunger strike, a spokesman of the Public Council for Soviet Jewry, said yesterday.

"We understand that his health is deteriorating every day and if the strike continues it may, God forbid, result in irreversible damage. Although we understand the desperate situation of Irlin and his wife... we ask him to end the strike." Chief Rabbi Mordechai Eliahu and Avraham Shapiro said in a letter addressed to Irlin.

Eliahu and Shapiro also appealed to Soviet leader Mikhail Gorbachev "to perform a paramount humane gesture... and let the Irlin family join their people in the Holy Land."

## Groups to help parents

**By LEA LEVAVI**

**Jerusalem Post Reporter**  
**TEL AVIV.** — Parents with higher education and of European-American origin cope better with bereavement than do less educated parents from other countries. Dr. Michael Roskin of the Hebrew University School of Public Health said here yesterday. He was the recipient of the Dr. Jack Zachler Public Health Scholarship from Na'amat Secretary-General Mascha Lubelsky.

This scholarship, awarded annually for public-health projects, will be used this time to establish support groups to improve the mental and physical health of civilian bereaved parents.

Two thousand children under the age of 16 die in Israel every year, Roskin said.

# 'Teenage drinking is on the rise — but nobody seems to care'

**By MENACHEM SHALEV**

**For The Jerusalem Post**  
It took the murder of 15-year-old Gil Elazor last week to get the police to temporarily close Tel Aviv's Dan cinema discotheque. "They've been serving liquor to minors," said a police commander.

In fact, hundreds of pubs, bars, discotheques and other such establishments for years have been flagrantly disregarding clause 193 of the Penal Law which prohibits the sale of liquor to anyone under the age of 18. They can afford to, because chances are that the police are not going to stop them. They have other priorities.

Prof. Shlomo Giora Shoham, head of Tel Aviv University's Criminology Institute, says that the rapidly increasing rate of teenage alcohol abuse is a malaise of a society which has lost



# Little hope of survivors from Soviet cruise ship

MOSCOW. - Divers worked on a sunken Soviet cruise ship yesterday but hope diminished that any of 319 missing people would be found alive.

A maritime official said the liner was rammed by a freighter after the crews apparently failed to change their collision course. But the official, Merchant Marine Ministry spokesman Igor Averin, and press reports said it was too early to assign blame for the sinking of the liner Admiral Nakhimov, in which 79 people were confirmed dead.

Rescue work was being hampered by strong winds and waves, press reports said.

The vessel sank within 15 minutes of being rammed by the freighter Pyotr Vashev near the Black Sea port of Novorossiysk late Sunday night, official reports said. It went down too fast to deploy lifeboats, officials said, adding that there were no injuries aboard the freighter.

Of the 1,234 people aboard, 836 were rescued from the Black Sea within 24 hours of the accident, but hope was fading that more would be found. "There are no new figures to report," Averin said yesterday after-

noon. He said divers were still working around the sunken vessel, and "the work will continue for a long time, as long as there is some hope."

The Communist Party daily *Pravda* said the vessel was resting on its starboard side in about 47 metres of water.

Spokesman Averin said he had read the *Izvestia* account but could not confirm it.

"I know the two crews talked by radio telephone and there was a conversation about trying to separate their courses," he said. "It's not clear yet what really happened. That is up to the investigating commission to decide."

Averin yesterday confirmed there were 884 passengers, 346 crew members and four members of crews' families who were not listed as either passengers or crew. All those aboard were Soviet citizens and the passengers were tourists.

The government newspaper *Izvestia* quoted a crew member on Tuesday night as saying the duty officer of the Admiral Nakhimov spotted the freighter and started trying to contact it by radio.

"We took its bearing and realized that the ship was to cross our path," said the man, identified only as helmsman Smirnov. "After a certain break the answer came from Pyotr Vashev: 'Don't worry, we shall steer clear of each other. We shall do what is needed.'"

Diplomats in Moscow said the authorities have given full, fast details about the sinking of the liner, an example of the new "openness" that Kremlin leader Mikhail Gorbachev is trying to foster.

The press conference on Tuesday, less than 48 hours after the luxury liner went down, was called to provide what apparently were all the known details of the disaster - in sharp contrast to terse, cryptic official statements which used to be issued about accidents and natural disasters before Gorbachev came to power in March last year.

One veteran foreign reporter just returned to Moscow after an absence of almost six years was astonished to see a high-level official such as Marine Minister Leonid Nedyak give such a vivid public account of an accident. (AP, Reuters)

## Smuggling charge against Danilooff

MOSCOW (AP). - Soviet officials are threatening to charge jailed American reporter Nicholas Danilooff with smuggling because they found some heirlooms in his household goods that were not listed in a customs declaration, his wife said yesterday.

Ruth Danilooff said customs authorities telephoned her husband's office in Moscow and told a translator that a smuggling case was being started. It was not clear if Danilooff would be charged alone or with his wife.

The threat came on the fourth day of Danilooff's detention in Lefortovo prison. The KGB secret police have accused him of espionage, but no formal charges have been filed.

"It's all just so stupid," his wife said of the smuggling charges. "It may just be part of the harassment against us."

Before Danilooff was jailed, the couple was scheduled to leave the Soviet Union at the end of Danilooff's 5½-year stint as a correspondent for U.S. *News and World Report* magazine.

In late August, they sent their household goods to the Butovo customs house for clearance. Mrs. Danilooff said customs agents spent two days going through their shipment.

"In the bottom of my jewelry box, I had some rubbishy old jewelry," she said. "There also was a pocket watch that Nick got from his father on his 21st birthday, a locket that belonged to my mother and grandmother, a brooch and a Mexican bracelet."

Those items were not listed by the Danilooffs when they entered the country 5½ years ago, or on their outgoing customs declaration, because they did not consider them

valuable or believe they were made of gold or silver, Mrs. Danilooff said. Customs laws require all precious metals, art objects and other valuables to be listed on customs declarations when entering and leaving the country.

The seven or eight items disputed by authorities were confiscated and Mrs. Danilooff said she was told they are being valued at 1,500 rubles (\$2,210 at the official exchange rate).

"They're saying we have smuggled our own things into the country and now we're trying to smuggle them out again," Ruth Danilooff said, adding that she was trying to get advice from the U.S. Embassy about how to answer the charges.

Earlier, Mortimer Zuckerman, chairman of U.S. *News and World Report*, left the Soviet Union after meeting with officials in a bid to free Danilooff.

## 'Moscow using non-aligned against U.S.'

HARARE (Reuters). - The Non-Aligned Movement's "moral sword has been blunted" by its inconsistent approach to the U.S. and the Soviet Union, Singapore's Foreign Minister Suppiah Dhanabalan said yesterday.

The movement attacked the U.S. for its intervention in Central America but failed to condemn the Soviet intervention in Afghanistan, he told the non-aligned summit.

"The Soviet Union would like the moral sword of non-alignment to be used only against the U.S.," he said.

Malaysia's Prime Minister Mahathir Mohamad joined Dhanabalan in describing as "unfortunate" the summit's decision last week to deny the Kampuchean seat to Prince Norodom Sihanouk.

Sihanouk heads an anti-Vietnamese coalition government

which includes the ousted pro-Chinese Khmer Rouge government thrown out by Vietnamese forces in a 1978 invasion that put the Soviet-backed Heng Samrin government in power.

Mahathir announced the formation of an independent commission headed by former Tanzanian president Julius Nyerere to tackle major economic issues facing the Third World.

The commission, to be set up at the end of this year, would be confined to Third World countries and its officials would work free of pressures and formalities of their governments, he said. The commission had the backing of 125 Third World countries, he said.

Sri Lanka's Prime Minister R. Premadasa, who also spoke at the summit yesterday said the non-

aligned movement must condemn terrorists trying to destabilize a legally elected government.

Mahathir described the commission's main task as breaking away from reliance on rich "northern nations" and instead promoting cooperation among poor southern states to ease their economic woes.

He was clearly referring to the three-year-old conflict in Sri Lanka where Tamil separatists are fighting for an independent state in Sri Lanka's northern province.

Sri Lankan Tamils have close cultural and linguistic links with Tamils living in the southern Indian state of Tamilnadu, separated from Sri Lanka by a narrow stretch of water, and Colombo has accused India of supplying arms and military training to Tamil guerrillas. India has denied the charge.

(Continued from Page One)

tries to keep oil exports flowing by secretive shipping operations, always under threat of attack from the Iraqi air force.

The six-year-old war between the two nations may be coming to a head as U.S. satellite pictures have confirmed Iran is concentrating troops on its southern front with Iraq. The forces probably are meant for a final push to cut Baghdad off from the sea.

In other Gulf war developments,

## SOVIET SHIPS

Baghdad Radio said Iraqi forces yesterday recaptured a vital radar platform in a counter-attack, "wiping out" Iranian marines who stormed it on Tuesday.

The announcement came as Tehran radio said Iranian forces had removed radar from the Al-Amaya installation, and set it on fire.

Teheran radio, citing a military communique, said Iranian jets off the Faw peninsula yesterday also bombed military installations on Iraq's Al-Bakr oil terminal close to Al-Amaya, and set it on fire.

The Islamic Republic News Agency in Tehran added that Iranian batteries and warplanes shot down three Iraqi warplanes yesterday.

Two new Iranian offensives began on Tuesday off Faw and in the Kurdish Haj Omar border region 1,200 kilometres further north.

## Bonn moots scrapping liberal asylum clause

BONN (Reuters). - Chancellor Helmut Kohl's Christian Democratic Party (CDU) yesterday proposed that a constitutional guarantee of political asylum should be scrapped in a bid to halt an influx of third world refugees into West Germany.

The domestic affairs spokesman of the Parliamentary CDU and its sister party, the Bavarian Christian Social Union (CSU), told a news conference both parties believed the generous asylum clause was outdated and should be removed.

They said it could be replaced with a more general and limited clause saying that "West Germany grants political asylum," while leaving the definition of what this entailed to separate legislation.

The proposal was the most radical

so far in an intense national debate on how to curb an influx of asylum-seekers from Asia, Africa and the Middle East which is expected to top 100,000 this year.

Senior CDU officials have already said they would favour amending the constitution to qualify the present asylum clause, which states that the politically persecuted have a right to asylum in West Germany.

But the spokesmen for the two parties said their joint parliamentary group favoured going much further. They added, however, that no vote had been taken on the issue and that the proposal for scrapping the present constitutional clause was no more than a subject for discussion.

The conservatives' prospects of pushing through a change to the

constitution appear bleak, as this would require a two-thirds majority in the Bonn parliament. Both the opposition Social Democrats (SPD) and the liberal Free Democratic (FDP), part of the Bonn coalition, have said they would block any bid to limit the right to asylum.

The two parties who favour the legislation said that as long as all refugees entering the country had an automatic right to apply for political asylum there was little prospect of achieving a substantial cutback in the numbers of new arrivals. They claim the asylum clause was the most liberal in Western Europe and no longer in tune with the realities of the 1980s.

They also said that their reform proposal would not restrict the right

## FOREIGN NEWS IN BRIEF

### Former spaceman quits search for Noah's ark

ANKARA (Reuters). - Former U.S. astronaut James Irwin and a Dutch television team yesterday gave up the latest bid to climb Mount Ararat in search of Noah's Ark and returned to Ankara, Anatolian news agency said.

The agency said Irwin would return to the U.S.

Turkish police on Saturday confiscated film shot by Irwin and the television crew in a flight over the region, saying the flight and photography were unauthorized. Irwin told Reuters he had permission.

### Chinese mummies said to be 3,000 years old

PEKING (Reuters). - Archaeologists in North-West China have found 50 well-kept mummies preserved for at least 3,000 years, the New China News Agency said yesterday.

The bodies were dug up near the city of Hami in Xinjiang region, much of which is desert, covered in well-preserved woollen clothes, with big noses, low cheekbones, and brown or blonde hair tied in a bun - characteristics similar to those of the Moslem people who now account for about half the region's population.

### 5,000 Italian prisoners declare hunger strike

ROME (AFP). - Five thousand inmates in 23 Italian prisons were on hunger strike yesterday in protest against overcrowding and dangers of catching the deadly Acquired Immune Deficiency Syndrome (Aids).

The prisoners claim that overcrowding has clearly increased the dangers of infection, and the 1,200 inmates in San Vittore, built to hold only 700, are particularly concerned over Aids. Over 60 per cent of an estimated 1,000 high-risk inmates - acknowledged homosexuals and drug addicts - are thought to be carriers of the virus.

### Dutch said on track of cure for diabetes

AMSTERDAM (Reuters). - Dutch scientists believe they have found a potential cure for diabetes, the disease which prevents the body from assimilating sugar and starch properly, the Dutch Diabetic Association said yesterday.

Scientists experimenting with small animals have found they can isolate Langerhans' islets, the tiny clusters of cells in the pancreas which produce insulin, and transplant them into diabetic rats. A spokeswoman said it was only a matter of time before similar transplants would be tried out on humans.

### U.S., Soviets wind up Afghanistan talks early

MOSCOW (Reuters). - Senior U.S. and Soviet officials, meeting in Moscow to discuss the conflict in Afghanistan, had businesslike talks and completed their agenda a day early, U.S. embassy officials said yesterday.

The officials said the two sides exchanged views at the meeting which ended on Tuesday, the latest in a series aimed at laying the groundwork for a superpower summit later this year.

### Paris tenement fire kills 7

PARIS (Reuters). - Fire swept through a four-storey tenement for immigrant workers in Paris early yesterday morning, killing seven people, rescue services said. Seventeen others needed medical treatment after inhaling smoke or injuring themselves when they jumped out of windows. Three were described as critically ill.

## Lebanese see hazards in truce

BEIRUT (Reuters). - War-weary Lebanese yesterday welcomed the announcement of a civil war truce but warned many hazards had to be overcome before peace returns to the country.

"We have seen innumerable cease-fires in 11 years of civil war," said one Christian resident. "Everyone wants the latest talks to succeed. But sometimes we don't dare to admit we still have hope that all problems will be solved."

Christian and Moslem members of Lebanon's 10-man cabinet Tuesday announced a general ceasefire and decided to set up a national charter aimed at resolving sectarian violence.

About 200 ceasefire agreements have been declared since civil war broke out in April, 1975. Since then, at least 100,000 people have died in the conflict.

Political sources in Moslem West Beirut said the meeting, close to the city's "green line" divide, was a good first step. "A lot of hazards still remain," said one.

They said that while calm prevailed at traditional flashpoints 24 hours after the cabinet meeting, the sense of greater security would remain paper-thin until controversial political issues were settled and accepted by rival militias.

This was echoed by the pro-Syrian newspaper, *Ash-Sharq*, which said in an editorial: "We are aware that a truce in itself is not the aim but a first step in the 1,000-mile journey (towards peace)."

The conservative *Al-Anwar* daily, meanwhile, welcomed the outcome of the cabinet session as "a great success in a country which has been going through bloody events for 12 years." It said the meeting would have "positive effects."

In Damascus itself, the official *Tahrir* newspaper said the agreement "calls for confidence and optimism about the future and for intensified efforts to foil internal and external counter-attempts."

Syria's role in Lebanon remains one of the crucial points of dispute between Moslem and Christian leaders.

Sources close to the cabinet said differences emerged in the talks when Christian Finance Minister



Lebanese soldiers guard the entrance of the race course in Beirut, as the cabinet met on Tuesday within the grounds. (AFP telephoto)

Camille Chamoun voiced doubts at calls for privileged ties with Syria.

The cabinet was meeting for the first time in nine months and its decisions marked the first peace initiative since a Syrian-mediated accord collapsed last January.

The pact, which fell apart when President Amin Gemayel failed to endorse it, would have given Moslems a greater share of power by curbing Christian influence.

Political sources say differences still centre on two main issues: the prerogatives of Gemayel and proposals to abolish the present system of power-sharing known as confessionalism.

Traditionally the head of state is a Maronite Christian, the Prime Minister a Sunni Moslem and the speaker of Parliament a Shi'ite Moslem.

Some hardline Christian leaders say they fear that Damascus seeks a military, economic and political takeover of the country.

Christian "Lebanese forces" militia spokesman Charles Shartouni said yesterday he welcomed the truce. "We must remain cautious about future plans," he told the militia's Radio Free Lebanon station.

Moslem leaders say, however, that the presence of Israeli troops in the South Lebanon security zone poses a major obstacle to reuniting the country.

Political sources said separate meetings were being held by Christian and Moslem leaders to assess the outcome of the cabinet "dialogue committee" meeting and to prepare for the next session in six days' time.

## MIDDLE EAST BRIEFS

### Iraqi dissidents

PARIS (AFP). - Two dissident Iraqi students are free to leave Iraq and return to France, as demanded by the Islamic Jihad holding seven French hostages in Lebanon, Iraq's ambassador here said yesterday that the dissidents, expelled earlier from France, had been pardoned by Iraqi President Saddam Hussein.

### Court appeal 'futile'

RABAT (AP). - King Hassan II's top political adviser Ahmed Reda Gueddidi said yesterday Muammar Gaddafi is wasting his time appealing to the International Court against Morocco's renunciation of its treaty of union with Libya, because the renunciation is final and irrevocable.

### Threat to Unifil

BEIRUT (AP). - UN peacekeeping forces will be treated as "hostages" if Israeli fails to withdraw from South Lebanon within a month, said an anonymous caller to the Moslem-controlled Voice of the Nation radio station yesterday. The caller claimed to speak for the previously unknown Revolutionary Brigades for the Liberation of the Border Strip.

### Egyptian PM to Europe

CAIRO (Reuters). - Prime Minister Ali Lutfi yesterday left for Paris and London where he will seek help in Egypt's current effort to persuade the International Monetary Fund to reschedule part of an estimated \$36 billion foreign debt.

### New head for Soviet atomic power industry

MOSCOW (Reuters). - The Soviet Union yesterday named a new head of the state committee responsible for safety in the atomic power industry, one month after his predecessor was removed in the aftermath of the Chernobyl accident.

The official news agency Tass said the new head was Vadim Malyshev, 54, who since 1973 has run a nuclear power plant at Beloyarsk, east of the Ural mountains.

### Tamil rebels

COLOMBO (Reuters). - Sri Lankan rebels yesterday blew up a causeway between the mainland and a smaller island in the north, the Information Department said.

Like all Chinese officials, who know that the destruction of Tibet's native economy by decades of alien exploitation has turned the region into a bottomless hole for Chinese support, and a foreign embarrassment, Wang Meng looked forward to turning Tibet into "a world tourist and academic centre." Chinese planners are hoping that within a year or two 100,000 tourists and their dollars per short summer season will rescue Tibet from what Peking regards as its backwardness.

In a related development, China's new Minister of Culture, the noted novelist Wang Meng, told an audience in Lhasa that, while "the autonomous region" must be modernized, it was essential to "cherish fully, protect, and discover Tibet's strong points."

(London Observer Service)

## Pretoria warned: Funeral curbs mean more funerals

JOHANNESBURG (AP). - Anti-apartheid church leaders and politicians yesterday warned the government that its ban on a mass funeral for blacks killed in Soweto last week could trigger further violence.

The warnings came as Soweto clergymen conferred about whether to proceed with the planned mass funeral today in defiance of the ban imposed by police Tuesday night.

The South African Council of Churches said the ban shows that the government "is not prepared to respect the feelings, the mourning and the pain of the people of Soweto."

The government will have to bear the full responsibility if this disrespect of human dignity results in further unrest, the council said in a statement.

Meanwhile, parliament, at the request of the opposition Progressive Federal Party, opened a special debate on the Soweto violence, in which at least 21 people were killed on the night of August 26.

Helen Suzman, a veteran anti-apartheid activist who is the PFP's law and order spokeswoman, said in

a speech prepared for the debate that the government's restrictions "show an utter lack of sensitivity."

"To forbid a mass funeral in a tightly knit community and to insist on separate funerals is challenging Soweto to commit civil disobedience," she said.

Tuesday's police order prohibits funerals of more than one person killed by security forces, limits the number of mourners to 300, stipulates that only ordained ministers may speak, bans the display of banners or posters, and requires that written permission be obtained from the local police commander.

The official death toll from the violence in Soweto on the night of August 26-27 is 21, including 20 blacks shot dead by police and a town councillor hacked to death by a group of youths. There were conflicting reports as to how many people would be buried.

The government says the violence was triggered by blacks attacking police with stones, fire bombs and a hand-grenade which injured five officers.

Barclays Discount Bank Ltd.			
CONDENSED CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 1986 IN NIS 000's (unaudited)*			
	31.12.85 (Audited)	30.6.86	**30.6.85
<b>ASSETS</b>			
Cash and deposits with Bank of Israel	286,023	223,364	360,839
Deposits with banks	81,711	86,958	100,382
Bonds for investment	92,419	86,739	107,716
Shares for investment	254	253	354
Securities for trading	17,938	15,423	9,593
Loans to the Government	193,188	210,834	205,709
Loans to the public	239,800	248,156	288,106
Buildings and equipment	36,740	36,198	36,869
Other assets	11,301	11,526	10,905
	859,374	919,455	1,120,373
<b>LIABILITIES</b>			
Deposits of banks	10,489	14,146	23,915
Deposits of the public	808,183	784,372	944,417
Deposits for granting of loans	45,737	41,961	61,800
Subordinated Capital Notes	16,306	15,004	19,957
Other liabilities	31,738	15,655	28,211
Total liabilities	912,453	869,138	1,078,300
Outside shareholders' interest	15	15	12
Shareholders' equity	46,906	50,302	42,061
	859,374	919,455	1,120,373
CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS IN NIS 000's (Unaudited)*			
	For the 6 months ending on	30.6.86	**30.6.85
Operating profit before taxes		11,315	16,726
Provision for taxation		7,802	12,788
Operating profit after taxes		3,513	3,937
Portion of outside shareholders			2
		3,513	3,939
CONSOLIDATED STATEMENT ON CHANGES IN SHAREHOLDERS' EQUITY IN NIS 000's (Unaudited)*			
	1.1.86 to 30.6.86	1.1.85 to 30.6.85	**30.6.85
Shareholders' equity at the beginning of the period		46,906	38,127
Net profit for the period		3,513	3,939
Dividend (gross)		(117)	(5)
Shareholders' equity at end of the period		50,302	42,061

\* Adjusted for the effects of inflation, according to the index of June 1986.  
\*\* Restated.

## China's 'Loveless Lover' film raises Tibetan passions

By JONATHAN MIRSKY  
LONDON. - A new Chinese film about Tibet has aroused the same fury among Tibetans that *Out of Africa* did in Kenya.

This is a serious matter in China. After 30 years of disdain of anything Tibetan following the Chinese occupation of 1950, and the destruction of virtually every religious structure, Peking is desperate to convince foreigners, and China's long-disdained ethnic minorities, that the days of cultural chauvinism are ended and that new policies are designed to respect the identity of the country's 60 million-strong ethnic minorities, including the three mil-

lion Tibetans. According to the Peking magazine *Cinema Today*, outraged Tibetans have insisted that *Loveless Lover*, produced and directed independently by the woman film-maker Liu Xiaoping, "violates in varying degrees the customs and habits of the Tibetan people and even uglifies and distorts the image of the Tibetan compatriots."

In a rare piece of investigative reporting, the magazine revealed that the film had aroused expectations at home and abroad, but that six months after filming ended suspicions arose that something had gone wrong. Rumours circulated of nude

scenes. Liu Xiaoping was said to have brought China into disrepute by raising money abroad.

The rumours provoked film-maker Liu to claim "profound affection" for the Tibetan people. She intended the film to show their historic suffering, to express her friendship, and described it as "a beautiful wish."

*Loveless Lover* was eventually screened before a Peking "scrutiny meeting" where Tibetans in the audience accused it of ethnic bias.

*Cinema Today* compares the row over the film to the displeasure exhibited in Kenya after the release of

*Out of Africa*. Although the film won seven Oscars, the magazine observed, President Moi stated that Kenyans did not want further mention by foreigners of their colonial exploitation. This is an ambiguous remark by the Peking magazine, which fails to make clear whether "colonialism" means Chinese rule or the condition of Tibet when it was under monastic administration.

In a related development, China's new Minister of Culture,



## HOME AND FOREIGN NEWS

# Broadcast chief in last-ditch try to halt second television channel

By JUDY SIEGEL  
Jerusalem Post Reporter

Broadcasting Authority Director-General Uri Porat yesterday launched a desperate, 11th-hour attack on the "political and vested interests" pushing for a commercial second TV channel, urging that the cabinet on Sunday reject a bill that would "bring about the destruction" of Israel TV.

Speaking to reporters at the IBA offices in Jerusalem, Porat attacked the proposed legislation as "ill-conceived, dangerous, unprofessional and illogical." He also urged that if a second TV channel is established, the state TV channel be granted equality in broadcasting hours and financial support.

"I call on the government to stop," said Porat. "I demand that they set up a committee of experts — real experts — to study what exists abroad. The cabinet must not approve any bill until they are sure that it will allow the Broadcasting Authority to continue to exist."

Porat said he was launching a public campaign to fight the bill that would institute a commercial channel, and had sent telegrams to the finance and education ministers reiterating his arguments against the bill.

"If the government wants to set up a second

channel on the ruins of the first channel, there will eventually remain only one channel — the commercial one," he continued. "The bill would create anarchy on the airwaves and lower the level of broadcasts."

Porat demanded that a second channel be given no advantage over the state channel. The proposed legislation puts almost no limits on the second channel regarding hours, income or content of programmes, he insisted. "It will broadcast low-level, racy programmes, if not blue movies, while we have to broadcast Zionism and culture."

Israel TV may broadcast only four hours a day to adults, while Educational TV, which Porat called a "pirate channel" that broadcasts extra hours a day "in violation of the law," has nine hours a day at its disposal and will get an additional day per week on the proposed commercial channel. In addition, the second channel would be allowed to finance itself with commercials, while Israel TV would be limited to collecting a licence fee, "with a few poor students running around knocking on doors and threatening to take away TV sets if people don't pay up."

Even more people will evade paying the TV licence and "few advertisers would be crazy enough to buy sponsorships of TV shows and

public-service announcements" if the second channel is approved.

Although officials have promised the maintenance of Israel TV's \$33 million budget, "we'll need much more than that because a second channel would raise the cost of buying films and of making programmes."

Israel TV, said Porat, has existed for 18 years and "done not so badly, despite what the politicians say." Now, he continued, "everyone is dancing around the new infant about to be born."

A coordinating committee to resolve differences between the second channel and Israel TV would give "unfair over-representation" to commercial TV interests. In case of a tie vote, the cabinet will rule, he noted, thus "posing a threat to the existence of a free press and involving the government in every little dispute."

The allocation of broadcasting hours between Israel TV in Hebrew and Arabic, and Educational TV — set 18 years ago — must be revamped, Porat said. "It is obsolete now, because for years schools have been relying on video cassettes and not on TV broadcasts. Educational TV's broadcasts after school hours are in violation of the law, despite backing from the Educational Ministry. 'Is this education? Is this culture?' he demanded.



The giant Soviet Antonov cargo plane, the largest aircraft in service today, dominates the other planes at the current British Farnborough air show. (AFP telephoto)

## Future uncertain for symphony orchestra

By GREER FAY CASHMAN

The musicians of the Israel Broadcasting Authority's Jerusalem Symphony Orchestra face an uncertain future. They don't know whether the orchestra will be disbanded, whether it will be reduced in size, whether it will become autonomous or whether it will be taken over by some other institution.

Last year, when certain factions within the authority wanted to do away with the orchestra, Education Minister Navon, who has parliamentary responsibility for the IBA, said no. His opinion has not changed: "The Broadcasting Authority must have its own orchestra," he told *The Jerusalem Post* this week.

The main objection within the IBA is that the orchestra is too expensive a child to nurture on its \$2 million annual budget. Navon dismisses this and notes that at the end of the last fiscal year, the Broadcasting Authority had a budgetary surplus large enough to support the orchestra.

Sources within the IBA contend that the orchestra generates virtually no income. Union representatives of the musicians argue that the orchestra could be a money-maker if given the chance. Three years ago, says violin player John Hainson, the IBA had many more concerts because the IBA had a larger budget to spend on bringing world-class soloists and conductors to Jerusalem.

Moreover, the JSO fulfilled a civic role. It brought culture to the masses by touring the country and playing in outlying settlements and development towns. These tours have ceased because there is no budget. Even more worrying to the orchestra is the cancellation of overseas recitals in which none of the expenses are borne by the Broadcasting Authority.

The *Post* has obtained a copy of a letter signed by JSO director Yehuda Fickler abrogating an agreement with Columbia Artists to appear in a recital honouring Israel's 40th anniversary, to be held in Carnegie Hall in April, 1988. Fickler writes that the orchestra is passing through "a very crucial time in its artistic and financial life." He declined to comment on the contents of the letter and refused to confirm cancellation of a concert in Berlin next year. He did say that the orchestra is going to France later this month and that its expenses were being paid by the French organizers of a marathon concert.

Michal Smoira Cohn, head of Israel Radio's music department, denied cancellation of the New York and Berlin concert, saying that they had not yet been approved. The IBA is reassessing the JSO, she said, but she was not authorized to comment further. Whenever the JSO's existence had been threatened in the past, she had invoked the Broadcasting Authority Law which stipulates that broadcasts must reflect the

## Export potential seen for the Lavi fighter

Jerusalem Post Reporter

Israel's Lavi aircraft has significant export potential, according to *Aviation Week*, the authoritative American aviation magazine.

*Aviation Week* notes that the Lavi will have a U.S. engine and will be more than 50 per cent built in the U.S. In addition, the aircraft is being built with significant financial aid from the U.S.

Israeli Air Force requirements are expected to prevent any export attempts before the latter half of the 1990s. Development is slightly ahead of schedule, with first flight originally planned for this month and first deliveries to the Israeli Air Force in 1990.

One possible export customer for the Lavi, according to *Aviation Week*, is the U.S. The aircraft is

being developed as a two-seat advanced trainer as well as a strike fighter. The aircraft's avionics and flight control systems will be similar to those being planned for advanced U.S. fighters.

Selection of the Lavi by the U.S. military could provide the U.S. with an advanced, high-technology trainer and strike fighter designed to be survivable in a high-threat environment, while permitting Israel to recoup some of its investment.

Initial step in such a move has been undertaken by Israel Aircraft Industries in talks with several U.S. aerospace companies. A partnership arrangement could lead to joint production of the aircraft, with final assembly in the U.S. for U.S.-purchased versions.



Paintings by artists of Ein Hod on the Carmel coast are hung in a new Kupat Holim clinic in the village. Now there will be something to look at while waiting for the doctor.

## Mediterranean cruises reviving

By YA'ACOV FRIEDLER  
Jerusalem Post Reporter

HAIFA. — The cruise ships, which had all but disappeared from this part of the Mediterranean since the Achille Lauro hijacking a year ago, are making a comeback.

Tomorrow, the m.s. Sea Princess is due for a day-long visit, with several hundred tourists. It will be opening the autumn season with another six cruise ships due this month, to be followed by at least 13

in October, each bringing several hundred tourists for one-to-two-day visits.

November and December, with the exception of the Christmas season, are usually low months for cruising, but it is expected that the trade will revive next spring, provided the area remains calm.

Some of the ships are coming to Haifa after visiting Alexandria, while others are not yet including Egypt on their schedules.

## Cut-throat competition

By DAVID HOROVITZ  
Jerusalem Post Correspondent

LONDON. — For years the 20 or so ritual slaughterers at the London Beth Din's Board of *shechita* held the Jewish community captive by frequently disrupting supplies and working to rule in support of wage demands, forcing kosher meat prices ever higher.

For years, too, the Federation of Synagogues warned the Beth Din that the situation was untenable. Some consumers, asked to pay so much for kosher meat, were even forced to consider buying non-kosher meat, the Federation said.

With no response from the Beth Din, however, the Federation set up in 1984 its own small slaughterhouse outside London. But until last month, this operation had made few inroads into the *shechita* board's hold on the market.

In the last two weeks, though, the picture has changed radically. Six large London butchers, as well as the Blooms restaurant concern, have switched sides, giving up their Beth Din licences in favour of those of the Federation of Synagogues.

The Beth Din, not surprisingly, is up in arms, and has taken large advertisements in Jewish newspapers to imply that Federation meat is not quite "kosher," and that only the Beth Din licence is a true guarantee

of *kashrut*. United Synagogue rabbis, furthermore, have been asked to tell congregants to stand by the Beth Din-licensed butchers, even though the six butchers with the Federation licence charge less for their meat.

Not all rabbis have heeded this call. Hendon United Synagogue's Rabbi Sidney Silber, for example, advised his congregation to continue using their regular butcher, whichever licence he may hold, provided that they have confidence in his standards of *kashrut*.

The Federation's dramatic entry into big-time ritual slaughtering followed yet another work to rule in July by the Beth Din's slaughterers. Seeking an increase in pay from £11,000 to £15,000, the slaughterers cut supplies, leaving butchers severely understocked. The board was reluctant to boost pay by more than a few hundred pounds, particularly since, according to insiders' reports, a slaughterer works less than 20 hours a week.

The action ended after two weeks with the promise of arbitration. But although supplies soon returned to normal, the Federation decided to expand its own operation, both to ensure a constant supply of kosher meat and to try to bring prices down.

For now, the Federation strategy seems to be working, since not only are its butchers charging less, but

those licensed by the board have also cut prices to stay competitive.

The affair has had a few side effects. For one, the infighting has attracted considerable attention in the national press, and one poultry wholesaler was forced to turn to the High Court to overrule a *shechita* board instruction not to supply Blooms or any of the "rebel" butchers.

Furthermore, the board and its only meat wholesaler, Sidney Ziff and Co., face the prospect of considerable financial loss, with the volume of meat they are slaughtering down an estimated 40 per cent since the licence switch.

Meanwhile, an animal rights organization this week called for an end to the "cruel and savage custom" of ritual slaughter.

The group, Compassion in World Farming, has launched a campaign to highlight the "appalling inadequacies" in slaughter techniques and the "uncaring attitude of the government which has repeatedly failed to enforce humane slaughter."

The group's campaign comes a year after the Farm Animal Welfare Council sent considerable tremors through the Jewish community with a report on ritual slaughter that called for an end within three years to much Jewish and Moslem ritual slaughter.

## Government favours spring tax-return filing

Post Knesset Correspondent

The tax year would run from January 1 to December 31 if a government bill proposed at yesterday's special Knesset session passes.

The change would mean that income-tax returns would be due in the spring rather than in the summer, as the law now requires. The tax year currently runs from April 1 to March 31.

The bill was sent to the Finance Committee at its first reading.

The Treasury had asked for the revision mainly because it claims businesses find it too easy to transfer profits to subsidiaries which receive permission to function according to special tax years. This move lets them pay less tax and to pay it later, the government said.

The government said that auditors, bookkeepers and

accountants would prefer the new arrangement because under the present system they have to prepare returns in the heat of the summer when staff are on holiday and economic activity slows.

Under the proposal, the income tax commissioner would allow firms to submit returns on a basis different from the calendar year only if convinced that tax revenues will not be reduced as a consequence.

Two other government bills expected to come up yesterday were not recognized as urgent by the House Committee: an amendment to the banking law, and an amendment to the penal code concerning the handling of rape offences.

The Knesset is to meet in special session again next Thursday.

## IN BRIEF

### New Japanese envoy

Jerusalem Post Reporter

The new Japanese ambassador, 53-year-old Koichi Tsutsumi, yesterday presented his letters of credence to President Herzog at a short ceremony at Beit Haanasi.

The envoy, who previously served as his country's ambassador to Vietnam, was greeted at the president's residence by an IDF honour guard and by his country's anthem and red-and-white flag at the entrance.

### Sarid: End cooperation with Pinochet regime

Post Knesset Correspondent

Yossi Sarid (Citizens Rights Movement) sent a telegram to Prime Minister Peres yesterday urging that Israel halt all cooperation with the regime of the "bloodthirsty Chilean dictator" Gen. Augusto Pinochet, in the light of the latest Amnesty International report.

Sarid said "the reliability of the documentation on murders and torture in the Amnesty report is above question." He said the Pinochet regime is certainly the cruellest in Latin America and probably in the entire world.

Israel is said to have sold weapons to the Pinochet regime.

### Hobbyist killed by exploding shell

RISHON LEZION (Ilim). — A 70-year-old local resident, Gersh Resnick, was killed in his apartment yesterday when a 30mm, anti-aircraft shell on which he was working blew up in his face.

Resnick was known for his hobby of making objects d'art and house ornaments out of spent shells.

MANEUVERS. — The Beersheba-Negev road will be closed between 10:30 a.m. and 11 a.m. today due to army maneuvers, the IDF spokesman has announced.

## Ya'acobi: Much support for devolution-of-rule proposal

By BENNY MORRIS  
Post Diplomatic Correspondent

There is "enthusiastic support" for his unilateral devolution-of-authority plan within the Civil Administration in the occupied territories, Economics Minister Gad Ya'acobi said yesterday. He added that Defence Minister Rabin supports "some elements of the plan."

Speaking to diplomatic correspondents in Jerusalem, Ya'acobi said that an overall negotiated settlement to the conflict would be the best solution, and an interim arrangement for the territories negotiated with Jordan would be second best. Since neither seems imminent or likely, he sees his plan as the "lesser evil."

Ya'acobi said that he proposes to raise the matter in the cabinet in the coming months. "Ya'acobi, who first proposed unilateral devolution in April 1982, said that Israel should say that it is willing to negotiate with any Palestinian who accepts UN Security Council resolutions 242 and 338 and desists from terror, 'regardless of his past record or (organizational) affiliations.' But he said that

to discuss Palestinian "self-determination" at the moment is unnecessary and pointless.

The essence of Ya'acobi's plan is that the inhabitants of the territories must be given complete "administrative and civil self-rule," the IDF must be withdrawn from the Arab population centres and law and order preserved by local security forces. However, the IDF must continue to control the Jordan Rift Valley, the Jerusalem area and the Etzion Bloc; and the 400 or so Israelis in the Civil Administration must be replaced by Arabs within a year.

Ya'acobi explained that without a negotiated settlement or interim agreement, and without unilateral devolution, Israel would effectively turn into a bi-national state, with Jewish Israel progressively "annexed" by its Arab population.

The implementation of such unilateral devolution, Ya'acobi believes, might motivate Jordan's King Hussein and perhaps the Palestinians to consider coming to the negotiating table to reach an agreed solution.

## ISRAEL PORTS AUTHORITY

### Invitation to apply for Prequalification

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- Manufacturers with proven capacity and experience in the manufacture, supply and erection of the above equipment who wish to be included on the list of qualified contractors, are invited to submit prequalification forms.
- Prequalification forms will be available (free of charge) from: The Israel Ports Authority, Materials Handling Equipment Division, Derech Petah Tikva 74, Room 1203, Tel Aviv, Israel.
- The forms should be submitted not later than Oct. 30, 1986, to the above-mentioned address.
- Inclusion of any firm's name on the list is subject to the discretion of the Israel Ports Authority.

05/87-101 04

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05/87-101 04



# The Haj - to Mecca and back

## Israeli Moslems cross Jordan during pilgrimage

Calev Ben-David

ONLY once a year do certain Israeli citizens receive permission to cross the Allenby Bridge into Jordan and then return via the same route. They are not diplomats or journalists, but Israeli Arabs on their way to the Haj, the annual religious pilgrimage to Mecca that draws nearly a million devout Moslems from every corner of the world.

It is written in the Koran, "The first House founded for the people was that at Mecca... A pilgrimage to the House is due to Allah from the people." Thus the Haj is one of the "five pillars of Islam," a commandment which every Moslem is supposed to carry out at least once in a lifetime. Exemptions are allowed only when circumstances of health or finance prevent the trip.

For many years, Israeli Moslems faced another obstacle - the closed borders that sealed off the most direct routes to Mecca. They needed to make a roundabout trip through a third country (such as Cyprus), until a few years ago when an agreement was reached with Jordan allowing pilgrims to use the Allenby Bridge and pass through Jordan on their way to Saudi Arabia.

Today, some 2,000 Israeli Moslems join another 3,000 from the territories for the trip over the bridge on the way to the Haj. For security purposes, the Israeli Interior Ministry allows only those over the age of 35 to make the journey.

Once there, they take part in the series of rituals and prayers that comprise the Haj, according to Josh Teitelbaum, a researcher at the Dayan Centre/Shiloah Institute doing a political and social study of the pilgrimage. "One of the most important rituals is the Tawaf," he explained, "in which one must circle seven times around the Ka'ba, the central shrine of Islam. The Ka'ba is a huge, square-shaped, black stone edifice that as a religious shrine dates back to the pre-Islamic period. It was during Mohammed's time that the pagan idols housed inside were thrown out."

The central event of the Haj is the *wufo*, held on the ninth day, when the pilgrims must stand all day together in prayer on the plain of Arafat. The next day they must then throw stones at the three pillars called the *jamarat*, which symbolize devils. In recent years the Iranian

pilgrims have taken to calling these pillars the U.S., the USSR, and Israel.

Indeed, in recent years the Iranians have been a constant source of trouble in Mecca. Teitelbaum says that "the Iranians see the Haj as an opportunity to export their brand of Islamic revolution and as a platform to inveigh against what they see as corrupt Moslem regimes, including Saudi Arabia. The Saudis keep a very close eye on them." This year it was reported once again that scores of Iranians were arrested in Mecca for disrupting the Haj.

NO SUCH trouble was caused by Israeli Moslems, according to pilgrims who returned from this year's trip over the Allenby Bridge last week. Because the end of the Haj coincided with the Moslem holiday of Eid al-Adha, the traffic at the bridge was especially heavy going in both directions. The taxis waiting at the security point to pick up the pilgrims were backed up halfway to Jericho, but the waiting and long lines at the customs check did little to dampen the spirits of those who had just returned from Mecca.

"A wonderful trip, a once-in-a-lifetime experience for a Moslem," said a four-time veteran of the Haj from Nazareth. "The conditions in Mecca are much improved since I first went in 1980. We were grouped with the Jordanians there, and there was no problem with us being from Israel."

An 80-year-old pilgrim from Acre, back from his first Haj, echoed the praise. "There were no problems, and the Jordanians didn't even make us pay the travel tax they were charging everyone else on the way." He quickly added with a smile, "And a big Jordanian officer came over to us to say that we made sure to tell everyone back in Israel how nice King Hussein treated us."

THE PRAISE the pilgrims had for the conditions in Mecca reflect the effort the Saudi government has made in recent years to make the event a showplace, worthy of their central position in the Islamic world. Last year the Saudis paid for the cost of 300 interpreters, 1,000 doctors, 1,700 guides, and 700,000 complimentary copies of the Koran.



Travellers show their identity cards at the Allenby Bridge before entering Jordan. When they return they will be greeted by a long line of taxis.

(Adam Teitelbaum)



They have also made strides in coping with some of the health problems posed by the Haj. "The Haj requires an individual sacrifice by the pilgrims which can be either a cow, goat, sheep, or camel," Teitelbaum said. "Whatever can't be eaten by the pilgrims is given to the poor, but there are still massive amounts of meat left over. This used to be a health problem, but now the Saudis have the facilities to freeze the leftovers. Shortly after the Haj there are sometimes advertisements in the European press for these massive amounts of meat."

Even if true, this tale is hardly indicative of any risks the Moslems of Israel face in making the journey to Mecca. Almost all of the pilgrims spoke with expressed full satisfaction at their opportunity to take part in this year's Haj. They will now have the honour of adding the prefix "Haj" to their names, as a sign that they have participated in the central event of their faith.

Only one pilgrim at the Allenby Bridge that day expressed a complaint, one common to most citizens of Israel returning to their country from abroad. It is a tradition for pilgrims to return from Mecca with gifts for those back home. One traveller from Nazareth complained that "neither Jordan nor Saudi Arabia made us pay any customs on the presents we are bringing back. Only Israel is making us pay the customs tax on our gifts. A little thing like that can spoil the whole trip."

## Two expatriates tell their stories from Switzerland

There & Then/Sraya Shapiro

DURING MY vacation in Switzerland, I lunched with two expatriates at Schloss Brandis in the Heidi country - a children's dream. The restaurant is on the first floor of an ancient castle. An old fire extinguisher, kept in trim condition, adorns the wide staircase. You eat in a large, square hall, walls whitewashed, ceiling supported by dark wooden beams. Some 20 Swiss eat their meal around a big table. In here it is hot although it is raining outside. People are casually dressed. Some have taken their jackets off.

Our host is Dr. Howard H. Stone, an eye surgeon from Los Angeles. In World War II he fought in the British Army as a Palestinian volunteer. He had been brought to Palestine from Frankfurt as a child. "I spent most of my childhood in Be'er Tuvia," he said. "I shall return one day."

In 1944, he was the first Palestinian to climb Vesuvius, and his article on the exploit appeared on the front page of *The Palestine Post*. He signed it Haim Schwarz. The following year, together with another member of the Jewish Brigade, he attended an audience given by the pope for Allied troops. "We were the only two men who did not kneel when the pope came in. That singled us out as Jews. The pope smiled and came towards us, and said a few words in Hebrew."

Soon afterwards, Signalman Schwarz was demobilized.

"I had always wanted to be a physician," says Dr. Stone. He applied to seven universities all over the world. Some rejected his application outright: A New Zealand university admitted quite frankly that it did not want Jews. He finally went to study in Los Angeles, and in due course became an American citizen.

His children, he says, feel American to the core. He tried to interest them in Israel. No go. He brought his elder son to Israel soon after the Yom Kippur War. The boy was fascinated by what he saw, admired the Israelis for their courage, but would not dream of joining them. His other children did not want to visit Israel at all.

"They've read so much about wars and tension in Israel, it all seems to them like Fenimore Cooper's world of contemporary Indians. So uncultured. No, the American world is

satisfying enough for them.

THE RETORT came not from me but from the other expatriate. "The newspapers shouldn't write so much crap about Israel," she fulminated. "All this is our internal affair. We'll get over it."

Mrs. Ruth Kaufmann does not consider herself an expatriate, although she lives abroad most of the year. "It's a question of circumstances," she says. "Consider me on a prolonged vacation, like yours only a bit longer."

Hasn't she a family in Israel, a home in Herzliya?

It happened that she went abroad to look after an ailing uncle in Bonn after relations were established with Germany. Personal attachments kept her there for a number of years. Now, living on a legacy, she has made a "vacation home" in a small place in Switzerland. Useful for receiving friends from Europe, even America, for her grandchildren to stay during their vacations.

"But I am an Israeli for all practical purposes. My father was a Zionist. I am a Zionist."

She came to Tel Aviv in the great exodus from Germany in the Thirties.

"We had to work hard to earn a living." She worked at a restaurant in Rehov Ben-Yehuda, "Elizabeth Yehuda Strasse, the Yekkes called it. We worked until one a.m., and I was promised to be taken safely to that Yekke quarter, Shvitei Yisrael street [today Ruppel]. We all spoke German, one big family of newcomers. It was great."

During World War II she worked with her husband in a firm selling supplies to the British and Australian forces, and as the only one who could drive she had to do a lot of travelling. But when she had children, she had to give up her business life. "We couldn't afford nurses or baby-sitters. We had to do everything ourselves."

It was the late Dr. Haim Yehli, a director-general of the Foreign Ministry, who once expounded to me his theory that Israel was wrong to condemn yordim out-of-hand.

"After all, why should we ostracize those who tried to live our life here but failed, while we pander to those who had never made the effort at all?" Bad Ragaz, Switzerland

# Trumpeldor, Zionism and a 1905 Russian disaster

Eleazar Laserson

THE SPECTACULAR Japanese victory over the Imperial Russian fleet at Tsushima in 1905, well over 10,000 kilometres away from the shores of Israel, had a decisive influence on Zionism and the birth of the State of Israel.

Joseph Trumpeldor, Israel's legendary national hero, was directly involved. Several prime ministers and presidents of Israel were personally effected by the results of Tsushima, and so were many other leading personalities during the early formative years of this land.

The battle of Tsushima was one of history's most influential naval battles. It suddenly shattered the military prestige of the Russian Empire, causing the first Russian revolution. It also brought about a realignment of the world balance of power, led to World War I, to Versailles, Hitler and World War II. The First World War would have probably never broken out without Tsushima as the Austrians and Germans would not have dared to provoke Russia by invading Serbia in 1914.

Seen from the Jewish and Zionist angle, Tsushima humiliated Russia and triggered violent anti-Jewish riots by the right-wing "Black Hundreds," who accused the Jews of "treachery." These riots produced the Second Aliya, which was of great importance to the building of the Jewish National Home. Ben-Gurion, Eshkol, Ben-Zvi and Galili were among the many leaders of the Yishuv, who came to Israel with the Second Aliya. Among them also was Joseph Trumpeldor, the hero of Tel Hai.

Trumpeldor was the son of a Jewish soldier who served for 25 years in the Imperial Russian army. The family settled in southeastern Russia, far from the Pale of Jewish settlement. Young Joseph volunteered for service in the East Siberian Rifle Regiment, and was posted to Port Arthur, a Russian outpost town and port in the Far East.

"Ossia," as Trumpeldor was called both at home and by his army friends, was quickly promoted to sergeant. He showed conspicuous gallantry when the Russo-Japanese war broke out in February 1904, losing his left arm. Although he could have been invalided out of the army, Trumpeldor demanded to be sent back to the front.

According to Russian Army regulations, only holders of warrant officer or commissioned rank could be employed on active service if thus incapacitated. So "Ossia" was promoted to warrant officer and put in charge of an infantry platoon. The new one-armed platoon commander fought bravely until his entire divi-



Министр Константинъ Дмитріевичъ Гагаринъ, СЕНАТОРЪ РОССІАТО (СВѢДѢНІЯ ПРАВИТЕЛЬСТВЕННАГО СЕНАТА).

Родился въ 1849 г. въ службу вступилъ въ 26 лѣтъ въ кавалерію; въ 1867 г. былъ въ 9 лѣтъ вѣн. и на фрегатѣ "Дмитрій Доской" въ 1872 г. переведенъ на службу въ м-во внутреннихъ дѣлъ. Въ 1877 г. назначенъ Кавказскимъ вице-губернаторомъ, а въ 1878 г. - Кутаисскимъ вице-губернаторомъ. Въ 1878 г. назначенъ Таифскимъ губернаторомъ, а въ 1883 г. - Рязанскимъ губернаторомъ. Въ 1886 г. назначенъ товарищемъ министра внутреннихъ дѣлъ и членомъ совѣта по торговымъ дѣламъ. Въ 1887 г. избранъ почетн. членомъ Археологическаго института. Въ 1889 г. назначенъ сенаторомъ въ томъ же году избранъ почетнымъ членомъ Ветеринарнаго комитета. Въ 1890 году назначенъ присутствовать въ 4 департаментахъ Правительств. Сена; въ томъ же году переименованъ въ членовъ департамента. а въ 1894 г. - въ 2-е общее собраніе Государственнаго Сена. Имѣетъ орденъ Св. Анны 1-го класса, орденъ св. Станислава 1-го класса, орденъ св. Владимира 2-го класса, орденъ св. Александра 2-го ст. и мекленбургско-шверинскій - команд. кр. Венгелскіи кресты по заслугамъ.

The father of the princess, Count Konstantin Gagarin, as shown in the 1897 Russian Almanac.

sion surrendered to the Japanese, and he was imprisoned in Japan.

The Japanese put the young warrant officer into a POW camp together with "other ranks". When the Russian fleet was smashed at Tsushima, many months later, Trumpeldor found himself in the company of thousands of Russian seamen. Among them were many revolutionaries, who gave Trumpeldor his first lessons in socialism, freedom fighting and other new ideas. "Ossia" not only learned but soon started having his own ideas and re-adapted Russian thoughts of freedom to what he considered to be Jewish requirements.

Very soon, he was surrounded by close to 500 Jewish followers in his own and nearby POW camps. He taught them about Zionism and the Jewish revolution of return to Israel, and the establishment of agricultural settlements there. Here, out of the survivors of the battle of Tsushima and their comrades in other Russian units, grew the nucleus of the Rus-

sian Hehalutz movement, of which Trumpeldor later became founder and chairman.

THE Russo-Japanese peace treaty was concluded within a few months, and Joseph Trumpeldor returned to Russia to a hero's welcome. Soon he was summoned to appear at an imperial investiture before Tsar Nicolas II. The emperor happened to be the colonel-in-chief of the East Siberian Rifle Regiment in which Ossia had served.

The hero of Port Arthur was accorded extraordinarily warm attention by the Tsar and the whole royal family. Humiliated Russia badly needed new, inspiring symbols after the catastrophe of Tsushima. There were few opportunities like the heroic and attractive figure of the one-armed platoon commander from the Japanese front, whose acts of bravery were described with admiration not only by his divisional general but also by the Far Eastern Commander-in-Chief, General

## The hero as a prisoner

Masanon Hayashi

I happened to come across the story of Joseph Trumpeldor, the hero of Tel Hai, in Keshet.

The most exciting passage for me in the story was that relating to Trumpeldor's imprisonment in the Matsuyama prisoner of war camp, for it was in Matsuyama, in the capital city of Ehime Prefecture, Shikoku, that I was born and bred.

This old castle town of mine held over 6,000 Russian prisoners according to the dusty documents still extant in the city library's archives.

These note that the Jewish and Polish POWs were at odds with their Russian comrades: in fact they hated the Russians who treated them as untouchables.

Friction between these groups soon reached boiling point and the local military authorities moved the

Kuropatkin.

The grateful Tsar promoted Trumpeldor on the spot to the commissioned officer rank of ensign. He also granted him an additional decoration for conspicuous gallantry in action, the "Golden Arms," which was something like a Russian equivalent of the Victoria Cross. Trumpeldor was thus the first Jewish commissioned officer in Russia and the holder of high decorations.

At the imperial reception, which took place at St. Petersburg's Winter Palace, not only the royal family participated but also leading courtiers. Among them was the young and attractive Princess Gagarina, who immediately developed a sentimental liking for Ossia.

Very little information exists on what exactly happened between the princess and the officer. The combined information from books on Joseph Trumpeldor, one by P. Lipowetzky and the other by Dvora Omer, indicates that the princess went to Trumpeldor's humble lodgings in St. Petersburg, but did not find him at home. She left a written message, asking him to come and visit her.

At the subsequent meeting, young Gagarina told Ossia she could secure him immediate promotion to first lieutenant, if he joined one of the St. Petersburg Guards regiments as second lieutenant - in which she could also be helpful. Further, she would be instrumental in getting Lieutenant Trumpeldor into the staff college: this would obviously ensure further promotion to captain. However, she made it clear that he would have to convert to Christianity.

Jews and Poles to a separate camp.

There these prisoners were free to give Japanese "banzai" cheers when they received news of Russian defeats in the battles around Port Arthur.

One Jew, called Brennel, so the documents relate, happily sang the "Kimigayo," Japan's national anthem, when he heard that the Tsar's Baltic fleet had been almost completely destroyed in a 50-minute battle in the Japan Sea.

Here in Matsuyama, 98 officers and men of the Imperial Russian army lie in the so-called "Russian graveyard." Their tombstones are hardly legible but you may be able, here and there, to detect the names of Jewish servicemen who died in this foreign land over 80 years ago.

The above item came to us from Tokyo by courtesy of Keshet, the monthly magazine on Israel's cultural life.

This is apparently where Trumpeldor decided to sever his connections with the princess, and to devote his life to the Zionist cause.

BUT LET us return to Tsushima, which played such a great, if indirect, role in the shaping of this country's destiny. In 1904, the

Japanese succeeded in their sudden attack on Port Arthur just as they did against the Americans at Pearl Harbour. So the outraged Russian emperor decided to send the Baltic Naval Squadron of 50 warships to the Far East, to "beat and punish" the Japanese.

This new edition of the Spanish Armada departed the Latvian port of Libau without being able to conceal its strength or rate of advance. The convoy had to travel at the speed of its slowest participants, at 9 knots, when its four most modern battleships and several cruisers and destroyers could make 18 knots.

In the English Channel, Vice Admiral Zinovy Rozhdestvenski, the Russian commander, mistook a British fishing trawler flotilla for a formation of Japanese torpedoes. He opened fire on the dumbfounded fishermen and killed several of them, sinking a few of the trawlers. Thus, he became the laughing stock of the whole world.


Later, the Russian naval squadron lowered anchors at neutral Tangiers, across the Straits of Gibraltar. Here, one of the Russian supply ships cut the underwater telegraph cable connecting Tangiers with Spain, severing the area's international communications. It was an unintentional error, but everyone believed it was meant to delay the transmission of information about the movements of the squadron. Europe was furious

again. After prolonged stops off the coast of German Southwest Africa and Madagascar, Rozhdestvenski was joined off Indochina by a reinforcement squadron which travelled directly through the Suez Canal. Finally, the united Russian naval force entered the Korean straits near Japan.


Here the Russian fleet was met off the island of Tsushima by the Japanese squadron under Admiral Togo, nicknamed the "Nelson of the Far East." The Japanese completely outmaneuvered the Russians. Many of the latter fought valiantly, but most of their officers were incompetent, and a high percentage of the rank-and-file were defeatist revolutionaries. They did not want to fight, did not trust their commanders and in fact prayed for defeat.

Later, in Japanese captivity, they cultivated anti-government activities. In this hotbed of subversion, many of the most important future activists of the Russian Revolution of 1917 developed.

Here, also among the prisoners of Tsushima and Port Arthur, were formed some of the cadres of the Zionist pioneer movement, under the leadership of Joseph Trumpeldor. Quite a few of them managed to come to Israel in the Second and Third aliyot between the years 1906 and 1928. Many others were attracted to the ranks of Zionism in Eastern Europe.



Israel Arabian Horse Society



Ministry of Tourism

**Rishon LeZion Municipality**  
invite the public to the  
**International Arabian Horse Show**  
**Friday, September 5, 1986**  
**10:30 a.m. - 5:30 p.m.**  
at the  
**Rishon LeZion Amphitheatre**  
(Ramat Eliyahu)  
66 pure-bred Arabian horses and their owners/riders compete for championships in various categories in the presence of  
**MR. AVRAHAM SHARIR, Minister of Tourism and Justice**  
**MR. HAIM BAR-LEV, Minister of Police and Chairman, Israel Arabian Horse Soc.**

Admission free      Parking fee for private cars

Organized transportation to final events which begin at 3 p.m.

FROM JERUSALEM: at 1:15 p.m., UNITED TOURS, King David Hotel Annex.  
FROM TEL AVIV: at 2:00 p.m., UNITED TOURS, 113 Yarkon St.  
Return to point of departure after the show. Fee for transportation only:  
NIS 6 from Tel Aviv; NIS 10 from Jerusalem. Please purchase tickets in advance at GOVERNMENT TOURIST INFORMATION OFFICES.  
JERUSALEM: 24 King George Ave. (Tel. 241281); Jaffa Gate, Old City (Tel. 282295).  
TEL AVIV: 7 Meulede St. (Tel. 223256).



# 'Red Team' thinks up ways to foil Star Wars

## Researchers guess how Soviets will try to counter defence system

Bryan Brumley / California

THEY don't change their diets to cabbage and borshi or move to cold climates and wear fur hats, but they do read every Soviet scientific journal they can find and pore over satellite photographs of weapons testing sites in Siberia.

They're the Red Team, a key element in U.S. planning for Star Wars, and their job is to think how the Soviets could foil President Reagan's dream of a Star Wars missile defence.

"Our job is to find if there is something that would prevent this programme from being useful," said Robert Perret, a scientist and Red Team member at the Lawrence Livermore National Laboratory, located outside San Francisco.

Scientists at Livermore, a federal weapons laboratory, are working in lasers, particle beams and other exotic devices that might be part of the ground- and space-based system envisioned for Star Wars, known formally as the Strategic Defence Initiative.

The main efforts, said Perret, are determining what technology the Soviet Union is capable of devising to outsmart potential U.S. strategic defence and what similar weapons the Russians would be able to develop.

The results "are among the most closely guarded information in the Star Wars programme," says Perret. The Livermore team started examining possible countermeasures to

strategic defence even before Reagan called for stepped up research in the area in March 1983.

"Not that we don't believe that the other side can't figure them out for itself," he said, "but we don't want to effectively help the other side find defences against weapons that are in the development stage."

To play the game, the Pentagon also enlists help from experts at the Central Intelligence Agency and the Defence Intelligence Agency and from political scientists at universities and research institutes.

Helping to coordinate the overall effort is the Systems Planning Corp., one of whose top executives, Sayre Stevens, spent much of his 20 years at the CIA analysing Soviet defences.

"The first stage of Red Teaming is to do an analysis that will look for fatal flaws, any real embarrassments," said Stevens. "You really

need a bunch of inventors to focus on that problem."

The next step is to have "the intelligence people look at what the Soviets are capable of doing now, what they may be able to do 15 years down the road, and what drives them" to make certain economic and security decisions, he said. "What the intelligence analysts cannot look at are unexpected technological breakthroughs or political changes."

Once the inventors - people like the physicists at Livermore - have come up with gadgets the Soviets might use to foil Star Wars, American weapons designers figure out how to counter them, and so on, round after round.

ACROSS the North Pole, in the remote steppes of the USSR, Stevens said, the Soviets "are probably running the same kinds of studies, asking: 'How can we beat this thing?'"

Pentagon consultant Sydney Drell, a Stanford University physicist who has criticized aspects of the Star Wars programme, feels that the Red Team review is vital to make

sure missile defences cannot be defeated easily and cheaply.

The team, he says, "has to be not only of high technical quality, it has to be a team that has independent backing" to prevent the administration from putting forth its views without challenge.

Close scrutiny of the strategic defence programme is important, said Drell, because "I don't consider Star Wars to be a technical problem of the usual sort, like putting a man on the moon. The moon didn't mind being landed on, the moon didn't have decoys or flares" of the sort the Russians might use to confound missile defences.

The head of the Star Wars programme, air force Lt. Gen. James Abrahamson, said in his annual report to Congress that the main Red Team accomplishment so far has been an analysis of steps the Soviets could take to outsmart the High Endoatmospheric Defence System, or Heds.

Heds is designed to spot and destroy warheads as they re-enter the atmosphere and close in on their U.S. targets.

Current strategy anticipates the

attacker will launch large numbers of decoys to fool the defender. Because the decoys are lighter than actual warheads, it may be possible to use lasers or infrared sensors to tell which is which.

From April to November 1984, the Red Team cooked up 28 countermeasures. In the following year the "Blue Team" managed to come up with 15 counter-countermeasures, and through June 1985 yet another group, the Umpire Team, mulled over the findings.

"The analyses have demonstrated that simple decoys or poorly designed elaborate decoys will not work against the technologically sophisticated components used in the Heds system," Abrahamson said in his report.

ACCORDING to the report, the Red Teams have not yet tackled the problem of how an attacker might undermine what analysts consider the most revolutionary aspect of Star Wars: the systems designed to destroy attacking boosters as they break through the atmosphere and before they release their warheads and decoys.

One problem with war games of this type "is how much built-in bias exists and how much the Red Team analysis is taken into account when the decision comes to actually produce the weapons," said Paul Stares, an analyst at the Brookings Institution of Washington.

"The question is how much the mind-set of the Russians," said Stares, author of a book on the military uses of space.

Is it hard to mimic the psychology of Russian scientists?

"We try to play the game honestly," says Perret. "It is almost impossible not to allow the analysis to be coloured by your own thinking, but we try."

In his report to Congress, Star Wars chief Abrahamson said that Red Team work had so far produced a design that "is more robust to possible countermeasures," and that the same intense method of analysis is being applied to all aspects of the Strategic Defence research programme.

So far, the Kremlin isn't saying what its "Blue Team" has come up with.

## Modernization urged

# Moscow's call to bloc may spark major crisis

Judy Dempsey / Vienna

OFFICIALS in Eastern Europe return to their desks after the summer break feeling a bit more confident about their relationship with the Soviet leader Mikhail Gorbachev.

After all, the party leaders in Poland, East Germany, Czechoslovakia and Bulgaria who, during the year, held their five-yearly party congresses were not subjected to too much finger-wagging from Gorbachev. But by visiting all the countries of Eastern Europe, with the exception of Romania, over the past 12 months, the Soviet leader made sure he put his message across.

Gorbachev insisted - indeed it has been the hallmark of his domestic policy - on the implementation of a scientific and technological revolution, and on the need for greater efficiency along with a more streamlined economy.

The first demand is more sensitive than the casual observer would think. Gorbachev would, for example, like to see the East Europeans revamp their electronics industry which lags at least a decade behind the West. To achieve this, he supports, on paper at least, the expansion of information technology.

But this is where the crunch comes. The control and monopoly of information - be it videos, science or statistics - is the preserve of the party. "There are times I have felt frustrated at not being able to have access to import figures," a Polish statistician moans. Frequently he gets informal queries from factory managers on the availability of certain goods. "I simply haven't got the information," he says.

Like other colleagues, he wonders how the real gains of the scientific and technological revolution can be reaped without giving specialists more access to information. "I'm not



Mikhail Gorbachev (Reuters)

so sure that the party apparatus is willing to give up a small part of its control of information," he continues. Still, in Hungary, and in some of the institutes in Poland, specialists have been given access to often sensitive information. "And it hasn't toppled the system," a Hungarian economist wryly commented.

BUT if the authorities in Eastern Europe are protective of their power when it comes to issues such as information technology, Gorbachev's calls for more streamlining the economies of these countries will show just how much power they have.

Basically, the challenge and potential conflict lies between the heavy industry lobby - steel, coal and iron - versus the technocrats and reformers who see the enormous and seemingly endless subsidies of loss-making heavy industry as a drain on resources. Those resources - and the Hungarians and Poles are particularly adamant on this point - could be used for other growth areas, such as electronics.

Hungary is a good example of this emerging conflict. During the summer, over 700 miners at the Tatabánya and Borsod collieries handed in their resignations. Too much

overtime, plus a government decision to close down "unprofitable pits" - 14 of 36 remaining in the country - precipitated the walk-out. Industry Minister Laszlo Kapolyi said that workers wouldn't lose their jobs, but would be relocated. He back-peddled somewhat on the pit closure programme.

But in a broader context, the dispute in Hungary highlights the difficulties in pressing ahead with the demands of modernization which the economies of Eastern Europe desperately need. It is not just about relocating sections of the workforce. It also hinges on a fundamental ideological question.

TRADITIONALLY, heavy industry in Eastern Europe has been the home of the hardline, inflexible party and trade union cells. And it was in the names of the exploited heavy industry workers for whom many pre-war and post-war communists spoke out. Their initial vision was a real workers' state with a base in heavy industry.

The heavy industry lobby exerted itself over the years. It was particularly strong, for example, in Cieriek's Poland of the 1970s. It continues to be influential in Czechoslovakia, less so in East Germany, and in Hungary.

"But times are changing," says a Hungarian economic reformer. "We cannot continue to turn a blind eye to the inefficiency, the loss-making and the waste in heavy industry." Yet in Poland, in spite of all the calls for economic reform, the heavy industry lobby retains a loud voice in the government.

"Gorbachev can say what he likes about streamlining the economy," says one Polish economist. "But, frankly, which party leader is going to risk possible social unrest and walk-outs? Factory closures and short-term unemployment are still taboo here in Eastern Europe. Streamlining means some of these things."



Many of Hungary's yuppies have made their money in downtown Budapest boutiques. (Camera Press)

## Yuppies on move in Budapest; pensioners, architects upset

Judy Dempsey / Budapest

HUNGARIAN yuppies - young and upwardly mobile professional people - are on the move, not emigrating or investing in Wall Street, but taking over parts of Budapest. And old age pensioners, along with an unlikely ally, the architects, are not at all happy.

The Hungarian yuppie phenomenon is confined to a very small section of the Hungarian population, those people who have benefited from the economic reforms allowing individuals to set up private shops and even small-scale enterprises. They have become rich at a very rapid rate, much of their money being made in the small downtown boutiques in the fashionable and extremely expensive Vaci Utca (street) a stone's throw from Danube River.

Many have also made their money by working in the *masodik gazdasag* (second economy) where, as dentists, doctors, artists or simply very good skilled workers, they can make thousands of forints in a week in a

country where the average monthly wage is around 6,000 forints.

Instead of putting their money in the bank, these generally young, upwardly mobile professionals, Hungary's "new rich," have invested in fast Western cars and, more importantly, in housing. And it is how they have gone about acquiring space and building their houses which has caused much resentment among the country's poor and raised hackles among architects.

ANY Hungarian will speak critically and openly about the housing shortage, especially in the capital, Budapest. The city was badly damaged during World War II, and during the 1950s, the Communist authorities set out to "solve the housing shortage." They never did, partly because of an influx of people from other areas, an influx they could not control.

Today, officially, over 60,000 people are waiting for an apartment, no matter how small. A housing official argued recently that "many people

no longer bother to put their names down on the list. They wait for a relative to die or inherit their parents' apartment."

Money and official policy are the two reasons why so many people in Budapest are waiting for an apartment. The present economic situation in Hungary - high inflation, a heavy hard currency debt of more than \$8 billion and very low industrial productivity - means that housing is not the priority it used to be. While the annual housing budget of 30 billion forints (\$800 million) seems high, it does not take into account the urgent need for maintenance, refurbishment and modernizing the capital's housing. In fact, the housing department reports that about 100,000 apartments "are without comforts" - meaning an indoor bathroom and toilet.

In the old districts in Budapest - the old Jewish quarter, for instance, on the west side of the river and at Csepel, Budapest's working class centre - the housing is particularly poor. Part of the reason is that many pensioners live in these areas. This year the authorities offered pensioners the chance to move into high rise suburbs, away from their childhood homes, or else find the money and do their own repair work.

On their monthly allowance of around 3,000 forints, the pensioners cannot finance this work. The result: enter the yuppies. So far, these young, well-off, well-dressed Hungarians have literally offered to buy pensioners out of their homes. It's a bit like what is happening in Battersea in southwest London or even on the fringes of New York's Harlem. Gentrification is alive and well in Budapest.

The state is only too happy to turn a blind eye. After all, the property will be refurbished. And the once downbeat areas of old Budapest will become "respectable."

"More and more new housing is being built privately," says one housing official. Some housing experts put the figure as high as 40 per cent of the total annual housing construction.

THIS change in housing policy has upset pensioners. But they are not alone. The more aware younger generation of architects and renovation specialists are shocked at the results. Up on Rozsa Domb which overlooks the Danube and which is the home of Hungary's millionaires, a square metre of building space can cost as much as 35,000 forints and building developments there, say many architects, have been "a disaster." Dr. Andras Roman, director of the Institute for Renovation, argues: "There is no real control over what they build. The natural outline of Rozsa Domb, the trees, the greenery, the landscape has been completely destroyed by wreckless planning."

On top of that, the burgeoning of new housing has put a strain on the city's sewage and water system. At the turn of the century, 800,000 people lived in Budapest. Today, over two million crowd this central European city.

## Club Med in China - no discos

James Kynge / Peking

CLUB MED, the French holiday empire built on sun, sea and skimpy swimsuits, has come to China - for archaeological tours and evening seminars.

The club has rented two 19th century mansions built in traditional Chinese style for the Empress Dowager and her entourage within the walls of Peking's Imperial Summer Palace.

They offer none of the sunbathing, discos and raunchy Gallic romance suggested by the club's advertising jingle - "Vacances je t'aime." "Club Meditteranee in China is completely different," said the manager Patrick Etoubeau.

"We want to show them the real China: no discos, no bars and no beaches. Tourists normally want to go straight to sleep when they get back in the evening," he said.

Etoubeau is trying to make the Peking resort an attractive alternative to the club's strictly 18-to-30 image. "Most of our customers are aged between 35 and 75," he said.

Club Med started in the early 1960s in Paris and soon earned a reputation for running permissive paradises for young Europeans wanting get-away-from-it-all holidays.

Its first foothold in China opened in May and is set in one of the country's most popular tourist spots, the summer palace complex just outside Peking.

Hordes of Chinese and foreign tourists converge on the palace every day to view the extravagant follies of the Dragon Dowager, including an artificial lake and a marble ship built with funds originally intended to modernize the Chinese Navy.

ONE OF Club Med's mansions, complete with traditional arched eaves and vermillion pillars, is set amid a garden criss-crossed by ornamental streams and covered walkways.

The Empress Dowager, it is said, would linger here with her palace favourites sipping tea after an afternoon's fishing on the lake.

The other mansion stands on an island in the middle of the lake, connected to the shore by a marble bridge. It was once used to house visiting guests of the court.

Etoubeau saw that the rooms had been refurbished almost exactly as the last imperial guests had left them.

Guests pay \$65 for a night on beds of carved rosewood cloistered by folding Chinese screens.

Club Med is paying just over \$500,000 a year to rent the two mansions, but business has been slow and profits are some way off.

"We are trying to break into the Japanese honeymoon market," said Etoubeau, standing next to the two single beds in the honeymoon suite.

On summer evenings, guests can watch Chinese operas in the seclusion of their own courtyards while the club plans seminars on Chinese ceramics and art for cold winter nights.

Etoubeau envisages expanding his Chinese empire to include villas in the ancient capital of Xian in central China and a Club Med launch cruising through the famous three gorges on the Yangtze River.

But the normal pageantry of Club Med, with its money tokens and muscle-bound attendants, will not be introduced to the high-brow Chinese culture trail.

"It's not a change in our image, but an evolution," said Etoubeau. "People come for good service and the real flavour of China."

Reporter

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Terror fears don't deter visitors

## German tourists keep on coming

By WLADIMIR STRUMINSKI  
Jerusalem Post Correspondent

BONN. — The statistics are stunning. In the first four months of this year, the number of West German tourists to Israel almost overtook that of the Americans: 60,000 v. 63,000. Unfortunately, the neck-and-neck figures were not the result of a surge in German visits, but of the plunge in U.S. tourism to Israel in the past months. For all of 1985, for example, 426,000 Americans and 159,000 Germans came. Although the high proportion of German tourists is certainly a temporary phenomenon, Eli Noy, the director of Israel's Government Tourist Office in Frankfurt, points out that the situation underlines the importance of the German tourism to Israel.

There are some other impressive, but misleading, statistics. Noy notes that some 27 million West Germans travel abroad every year.

Unfortunately that cannot be regarded as the potential German tourism market for Israel, for that would be huge indeed. Most of these tourists just go to neighbouring countries, the vast majority — 19.5 million — travel by car. Only 5.5 million go by air, and just 1.5 million travel distances of four hours or more. Of this last group, however, roughly 10 per cent come to Israel.

The stability of German tourism to Israel — which is second only to the American even in a normal year — is even more remarkable considering the Jewish population in West Germany is just 30,000. Jewish tourism usually is more stable than the general public's. There are no exact statistics, but Noy estimates that the Jewish tourism makes only for a few per cent of the total from West Germany. Jewish tourists usually tend to spend more money on their trips than non-Jews, but the fact remains that the backbone of the German market is not the Jewish community.

More than one-third of the visitors from Germany are Christian pilgrims. Noy points out that their motivation to come to Israel is strong, and he is convinced that there is a considerable potential in this segment of the market despite the general opinion that religion in Western Europe is on the decline.

The value of pilgrimages is also attested to by the fact that a number of priests who had been accompanying pilgrim groups to Israel over the years decided to organize their own travel agencies. Two years ago a number of travel agencies organized an information stand at the Protestant church congress in Düsseldorf.

Not surprisingly, the Israel Tourism Office is keen on encouraging pilgrims. Recently, the office organized a trip to Israel for 10 senior representatives of the Protestant and Roman Catholic churches, which it hopes will spread the word among churchgoers.

Pilgrims, however, tend to spend relatively little money in Israel. They stay in cheap hotels or hostels, and travel at low prices. On the other hand, an increasing number of pilgrims now combine the pilgrimage with a holiday, says Noy.

The growing strength of the Deutschmark against the U.S. dollars, hence the shekel which was linked to it until recently, has made Israel trips from Germany 10 to 15 per cent less expensive for the upcoming winter season.

Eilat has acquired a special place in the German market. One-fourth of the German holiday-makers (as distinct from pilgrims, or business travellers) who visit Israel come to Eilat, most of them in the winter. Many in this group do not even visit other places in the country. This winter, for the first time, all three major West German charter companies are to offer direct flights to Eilat.



Pilgrims' progress: Christian groups, like these at the Ninth Station of the Cross, make up an important segment of the German tourism market.

(Richard T. Nowitz)

A segment which has recently experienced a certain expansion are incentive trips. These exclusive trips are organized, and paid for, by companies for their employees as rewards for outstanding work or as incentives. Incentive trips are good business for the hosting country. They usually are big-budget affairs and the average group size is roughly a hundred people. German companies have sent their employees on incentive trips to Israel, with the automobile industry, insurance companies and the cosmetics business leading the field.

The problem is incentive travel is sensitive to political disturbances. Israel's first efforts to attract this business in 1980 and 1981 were

abruptly set back by the Lebanon war. Only last year did business pick up, and even then it was temporary. After the Achille Lauro hijacking and the ensuing international tension, the companies that sponsor these trips demand discreet handling of the trips, however, in order not to irritate Arab countries. One group of travellers which does not appear in the German travel statistics, but nevertheless arrives in Israel from Germany are members of the U.S. armed forces in West Germany and their relatives. An estimated 10,000 of them came last year. Early 1986 witnessed a plunge in this group, but Noy expects the total for the current year to break even with 1985.

## THE TAX BURDEN / Jeff Broide

## Who gets automatic extensions

Certain groups of taxpayers are permitted automatic extensions for submitting their 1985/86 tax returns. The first group comprises taxpayers who keep their books according to the single-entry system and salaried taxpayers who are required to submit their returns. Their deadline passed August 31.

The second group are sole proprietors and partnerships who use the double-entry system, and companies and other associations that have financial years that end other than on March 31, the most common date. They have until October 31 to submit their 1985 returns.

Finally, companies and associations with a financial year ending March 31 may submit their 1985 reports through December 31.

No special application is required for these extensions.

While it is fairly certain that in future the tax year for individuals and companies will be the same as the calendar year, that is from January 1 to December 31, it is still not clear whether this change will become effective for the 1986 or 1987 financial years. If the change is introduced for the 1986 year, companies with financial years ending March 31 will report on a nine-month period, while taxpayers who work on June

and September year-ends will put in returns on 15-month and 18-month periods.

From August 1, meals provided for employees at their place of work are once again tax-exempt, but only up to a maximum of NIS 38 per month. However, the exemption applies only to employees in industry, agriculture, tourism and public and medical institutions.

The Supreme Court ruling covering "combination deals" has only recently been publicized in professional circles. Combination deals involve a land owner selling a site to a contractor in exchange for a certain portion of the building (e.g., a certain number of apartments).

Until the court ruled in the Nishan Ltd. case, the law had been interpreted to mean that the value-added tax was payable to a contractor after a building was completed.

The court, however, decided that under the law payment to the contractor, hence payment of VAT, begins when the land is handed over to the contractor to begin work. This applies even if no money has actually changed hands yet. The amount of VAT is determined by the portion of land actually transferred to the contractor.

A proposed amendment to the VAT law introduces a number of significant changes. Under one proposed change, when a dealer sells assets to a company in which he receives a *quid pro quo* of at least 90 per cent of the shares in the company, the transaction will not be liable to VAT. This will save the seller the effort of reporting and paying the VAT and thereafter setting it off against the amount due.

Another proposed change covers the period during which VAT may be offset on expenses. Until now, many businesses reported VAT on expenses at a later date according to their own requirements. The proposed change will limit delayed VAT payment to a maximum of three months from the date of the issue of the tax invoice or import notice.

A rather startling proposal is that a VAT taxpayer will be required by law to demand a tax invoice for any goods or services received, and failure to do so will constitute an offence. Under the present law, if there is evidence that the taxpayer asked for the invoice but was unable to obtain it, the seller is liable.

The writer is a Certified Public Accountant. Questions may be addressed to him care of The Jerusalem Post.

## White Knight threatens CBS

NEW YORK. — When Laurence Tisch, chairman of Loew's Corp., first surfaced as an investor in CBS, financial watchers agreed that he would not try to take control of the company. Tisch, who had helped to protect both Getty Oil and Walt Disney Productions from hostile raids had a reputation for only making friendly offers, and he was savvy enough to know that because the U.S. Federal Communications Commission must approve a change in control of broadcasting companies a hostile takeover was all but impossible. But now rumours are swirling that Tisch, whose stake is just shy of 25 per cent, intends to force out CBS Chairman Thomas Wyman.

Larry and his brother Preston "Bob" Tisch built a struggling New Jersey resort hotel into a \$17.5 billion conglomerate owner of Lorillard Tobacco, CNA Insurance, Loew's Hotels and Bulova Watches. They are best known for their investment abilities and their tight-fisted spending policies. Loew's headquarters offices on Fifth Avenue in New York boast indoor-outdoor carpeting and metal furniture.

In public life, however, the Tisches have gained a reputation for generosity. Tisch mohey has supported a variety of programmes at New York University. Larry Tisch's alma mater, including a \$7.5m. grant for what is now called the Tisch School of the Arts. Larry Tisch serves on the NYU board of trustees and helped recruit the current president John Brademas.

The family is also a strong supporter of Israel and gives a great deal to the United Jewish Appeal. Indeed, Billie, Larry's wife, served as the first woman president of the Federation of Jewish Philanthropies. Their identification with Judaism extends to religious as well as philanthropic activities.

"They live a life of Jewish values," Naomi Levine, a former executive director of the American Jewish Committee, told *New York* magazine recently. Tisch first got interested in CBS in January 1985. Ultra-conservative Senator Jesse Helms had just urged supporters to buy CBS stock so that as a group they could correct the network's "liberal bias," and Tisch was concerned that Helms was not an appropriate CBS chairman.

So after their regular Sunday morning tennis game Tisch told his friend James D. Wolfensohn, a CBS director formerly vice chairman of Schroeder's Ltd., that he was there if CBS needed outside help.

Helms' effort fizzled but CBS,



Laurence Tisch (right) and New York University President John Brademas.

weakened by sharply declining advertising revenues and internal bickering, was an obvious takeover target.

Soon there were rumours that Ivan Boesky, the famous arbitrator, had bought 8.7 per cent of the stock and that Ted Turner, the freewheeling founder of Turner Broadcasting planned to make an offer. CBS sued, but in March Turner bid \$5.4b. in stock and notes for the entire company. CBS turned up the legal pressure, and in early May Wyman walked over to Tisch's office to talk about how to send off the Turner bid. Two months later, on July 3, Wyman announced that CBS would defeat Turner by buying back 20 per cent of its stock for \$150 a share in cash and notes, a total of almost \$1b.. CBS would sell or close several unprofitable units including its toy and movie production companies to pay off the debt.

Later that day, Tisch started to buy. At the end of the month he owned 5 per cent.

Although Wyman was uneasy about the investment, he preferred Tisch to Turner so he did not pressure Tisch to make his moves clear. In October after Turner's retreat Wyman invited Tisch to join the CBS board. At that meeting Wyman hinted that CBS wanted Tisch to sign

a "standstill" agreement promising not to raise his stake above 25 per cent over the next three or four years. Tisch refused. That worried some CBS directors, but things seemed to go smoothly.

At the same time there were signs of trouble. In the spring Tisch made it clear that he thought his brother Bob should be invited to join the board and the directors refused. By the end of June he owned 20 per cent of the stock and at a dinner following the July board meeting the directors pressured him to declare his intentions. Tisch refused. Tisch's stake hit 25 per cent at the end of July and rumours began to circulate that he planned to take control of the company. That did not happen at the August 13 board meeting, but directors were so concerned about his evasive responses that they called a special meeting five days later to get an answer. Again Tisch refused.

Sources close to Tisch insist that he will soon tighten his grip on the network and throw out Wyman. Wyman says he is not worried about that but a week and a half ago he flew to London to meet the chairman of ICI, where Wyman was recently appointed to the board. Wall Street sources think he may be looking for a new job. (London Observer Service)

## WORLD BUSINESS IN BRIEF

## Hopes fade for cut in the Japanese discount rate

TOKYO (Reuters). — Hopes for an early cut in Japanese interest rates faded yesterday, with some private economists saying that a key economic survey due next week will be less pessimistic than expected.

The expressed doubts that the survey would be gloomy enough to convince the bank of Japan to drop its opposition to a further cut in interest rates.

"The figures in the survey seem to

be bad, but not bad enough to convince the bank to act," one economist said. While the manufacturing industry was hurt badly by the strong yen, which has reduced the competitiveness of Japanese exports, other industries seem to be holding up.

Bank of Japan officials declined comment of the economists' forecasts, but its governor, Satoshi Sumita, repeated yesterday that he did not think another rate cut was justified by current economic conditions.

If the analysts are right, it would be bad news for the U.S., which has been hoping Japan and West Germany would join it in cutting interest rates this month, foreign-exchange dealers said.

THE OIL-PRICE SLUMP claimed its latest victims yesterday when Britoil, the Glasgow-based oil group with extensive oil and gas interests in the North Sea, announced it was shedding 750 jobs.

Britoil Chief Executive David Walker blamed the redundancies on both the fall in crude prices to around \$15 a barrel, around half the price fetched late last year.

Earlier this year Britoil, which then employed a total of 2,700, announced 220 redundancies.

## Car importers: price hikes not enough

By YITZHAK OKED  
Jerusalem Post Reporter

TEL AVIV. Automobile imports say the 8 to 23 per cent rise in newcar prices set for next week will not dent sales.

They say sales for the 1987 model year, which began this month, will come to about 50,000, about the same as in the 1986 year. Most importers have placed their orders for 1987 models, even though the final price is not yet known. A few

even have models in Israel, but are holding them back from the public until prices are determined.

The importers say they are not pleased with the government's decision to hold increases to under 23 per cent. Because of the price freeze, and the relatively small increases authorized during the 1986 model year, they had not made reasonable profits, importers say.

One importer of Japanese cars told *The Jerusalem Post* that during

the past year the value of the Yen had increased by more than 50 per cent against the U.S. dollar, to which until recently the shekel was linked but the government had allowed granted price increases on Japanese cars in the meantime to just 35 per cent.

All the new 1987 models according to new government regulations must include among other things darker windows and anchors for safety belts in the back seats.

## Czechs to buy wine from Cyprus

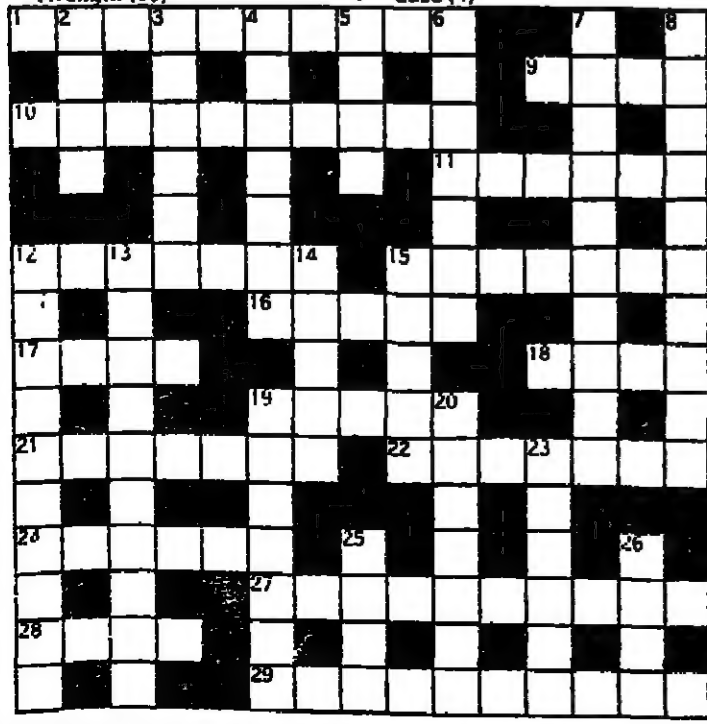
NISCOSIA (Reuters). — Cyprus' wine lake will be partly drained by Czechoslovakia's agreement to buy \$1 million worth of local wine.

Cyprus officials said a trade accord will be signed this week when a Czechoslovak trade delegation visits four major wine producers. In a statement announcing the visit, Czechoslovak Ambassador Ladislav Skerik called the proposed deal "a contribution of the Czechoslovak government to the Cyprus economy."



## ONE-ON-ONE CROSSWORD

- ACROSS**
- 1 Sit on uncomfortably following opera, for they are performed in theatres (10)
  - 9 American girl goes to a festival (4)
  - 10 Asian social centre used for gymnastic training (6,4)
  - 11 Picnic dessert (6)
  - 12 Horse runners employed by firemen (7)
  - 15 Conscience without study is not a liberal art (7)
  - 16 Wartime nurses turned it as a hoist (5)
  - 17 Close shack east of south (4)
  - 18 West African republic abolished (4)
  - 19 Goes down where things are washed up (5)
  - 21 Flatulence brings no one any good (3,4)
  - 22 Spacecraft which carried wolf (7)
  - 24 Sort of political group which is hot radical (6)
  - 27 A MoD retail design? Certainly not! (6,4)
  - 28 Bison central to our use (4)
  - 29 Tightens control on army strength (10)
- DOWN**
- 2 Back on the Backs (4)
  - 3 Louis XIV, for example, showed the way to be annoyed (6)
  - 4 Jug which is a peculiar dark tan on top (7)
  - 5 Willy old birds but slow moving (4)
  - 6 Citizen has matter for discussion (7)
  - 7 Resigning oneself to getting the car from the garage (7,3)
  - 8 Game contested over product of mine (10)
  - 12 Fifty with a log-front leg affliction failing in pain... (7,3)
  - 13... apparently also in pain when running (8,2)
  - 14 Pig's head steeped in port becomes tasty (5)
  - 15 Lots of fine stuff is expected of them in court (5)
  - 19 Hesitation after a quick drink — then there's fearful wind (7)
  - 20 Isolate and quieten upper-class gentleman (4,3)
  - 23 Measure of radiation in hill produces slight earth movement (6)
  - 25 Little monkey doubling it up (4)
  - 26 Misused it could produce a daze (4)



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## QUICK CROSSWORD

1 Regularly exporting

2 Taken apart

3 Moral of bread

4 Alpine province

5 Agony

6 Modification

7 Disagreement

8 Professional investor

9 Twist out of shape

10 Evolutionist

11 Philosopher

12 Military training

13 Change against account

14 Employ

51 Stretched to

52 Drying cloth

53 Round

54 Monastic hall

55 Evil

56 Taken apart

57 Moral of bread

58 Alpine province

59 Agony

60 Modification

61 Disagreement

62 Professional investor

63 Twist out of shape

64 Evolutionist

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## MARKET PLACE

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## Leave growth to business

According to Prof. Haim Barkay, of the Hebrew University, the drop in the pace of economic growth in Israel since 1973 was not caused by any drop in investment. Cabinet ministers and others who think that industrial expansion can be restored by pumping more public money into development funds have got it wrong.

That observation, made last April, came back to me when I read the other day a study by Shmuel Amir, in the Bank of Israel's latest periodical survey, dealing with the impact of better education on the labour force. Investment does not just consist of money. In the 1960s, output per hour of work rose by 5.8 per cent a year, in the 1970s by only 2.4 per cent. Yet the input of capital did not fall; it contributed 1.6 per cent to the rise in output during the first period and still more — 1.8 per cent — in the second period.

So what declined? The growth of productivity declined, from 4.2 per cent a year in the 1960s to a negligible 0.6 per cent in the last decade.

The conclusion is that capital can be invested productively and it can be invested unproductively. Amir's study suggests that capital put into education was used productively.

The number of Israelis with post-primary education shot up from less than half the adult population in 1961 to over two-thirds in 1979. The proportion with at least one year of higher education doubled from 10 to 20 per cent.

More striking still is the influx of women into the universities. They have practically caught up with the men. Males with 13 or more years of study rose from 12 to 21 per cent of the adult population, females from 7.8 to 19.3 per cent.

Results are reflected in Israel's balance of payments statistics. Overall production rose slowly but exports multiplied from \$2.5 billion in 1972 to around \$12b. this year, thanks largely to an explosion of high technology. Here productivity did rise — and the most important cause was the investment of education into the labour force.

What went wrong with the investment of money? Two things. First, it financed more consumer goods than before and less producer goods. Second, the cash that went into producer goods was largely wasted. It came from the government and cost nothing, so was used unselectively. Barkay gives tables showing that the government's development loans, although cheap in the 1950s and 1960s, did have a cost ranging from 3.5 to 4.5 per cent.

In the 1970s the cost of government loans became negative. Owing to inflation the authorities found themselves de facto paying business firms to take loans instead of the other way round. People simply had to borrow, they could not lose. If the worse came to the worst they could always re-sell their equipment at a profit.

Not everything went to waste. Where capital was used to activate scientific abilities, results were better. Investment funds were still necessary but the key input this time was education — something for which the government (not the private sector) is responsible.

Moral: The job of the government is to finance education and social services of that kind. It is not to finance business. The business sector can finance itself.

Plenty of savings are available, says Barkay — provided the Treasury does not lay its hands on them. The Treasury does need some of the money in order to re-float state loans as they mature, but it should not borrow more than that.

The rest should be left to the private sector. If each side minds its own business and does what it is supposed to do, economic growth will be back in no time.

NOMURA SECURITIES CO. of Japan yesterday announced that the Bank of England had granted a license to engage in banking activities to its British unit, Nomura International Finance Ltd.

## Half-year results best in bank sector

## Barclays posts NIS 3.5m. net

By PINHAS LANDAU  
Post Finance Reporter

Barclays Discount Bank yesterday reported a pre-tax profit of NIS 11.3 million, and a net profit of NIS 3.5m. for the first half of 1986.

Although both figures were lower than restated figures for January-June 1985, they nevertheless represent the best results of any bank so far for the first six months of the year.

Furthermore, Barclays Discount, which is a jointly owned subsidiary of Britain's Barclays Bank International and Israel Discount Bank, by itself achieved a higher profit for the reporting period, than its parent.

Israel Discount, and all its subsidiaries together, Israel Discount last month reported a NIS 1.7m. net profit for the first half of 1986.

Barclays Discount's figures show a gross return on shareholder's equity of 48.2 per cent, on an annualized basis, and a 15 per cent net return. Both figures are considered extremely high, especially the gross return, but the bank stressed that it made provision for bad debts on a "conservative and cautious basis."

The bank's balance-sheet was reduced by about 4 per cent in real shekel terms over the year, to stand at NIS 919.5m. on June 30, 1986. The drop reflected the large dollar-

denominated component of assets, which were eroded by the discrepancy between the rate of inflation over the year since June 1985 which came to 57.5 per cent, and the rate of shekel devaluation against the dollar, which amounted to only 18.7 per cent.

Since the balance sheet is drawn up in inflation-adjusted shekels, the dollar component is reduced.

Similarly, deposits fell by 3.3 per cent to NIS 801.2m., although loans to the public grew by 2.4 per cent to reach NIS 238.4m.

Shareholder's equity crossed the NIS 50m. mark, almost 20 per cent higher than on June 30, 1985.

## 'Import bar will lead to denim shortage'

By MICHAEL YUDELMAN  
Jerusalem Post Reporter

A shortage in denim cloth is expected to develop in Israel shortly because of an industry and Trade Ministry decision to ban imports of denim from anywhere but the U.S., Canada and the European Community.

Until recently, denim was imported from Spain, Hongkong, Taiwan and Argentina for half the \$5.00-a-metre price charged by the Israeli company Polgat Industries Ltd.

Denim remains in high demand for fashion products, and garment makers maintain that Polgat cannot meet the local need. Many of them have continued to import denim despite the 100 per cent tax that was put on imports in order to protect local production.

Polgat does not produce the whole range of denim required for fashion garments, according to the fashion producers. They also claim that the latest import restrictions will turn Polgat into a monopoly that will prevent fair competition.

The import of sports shoes and white rice has also been restricted as a result of industry and Trade Minister Ariel Sharon's caving in to the pressure of local producers, importers say.

The Industry and Trade Ministry has said that the import restrictions are intended to protect local industry and prevent unemployment. But importers claim that only four workers are employed locally to shuck the imported brown rice intended to be protected by the restrictions.

## Gold price breaks past \$400 barrier

Gold pushed past the key \$400-ounce barrier in world markets yesterday and Tuesday to reach its highest levels in three years. At least one bank predicted yesterday the metal would end the year at \$450.

Gold first broke through \$400 in New York Tuesday, closing at \$18.20 an ounce to \$411.50. It shed \$1.20 by yesterday's close to \$410.30 after reaching \$415.50 during the day.

In London yesterday gold was fixed at \$405 an ounce, slightly down on the mid-morning fix of \$407.20, but up sharply from Tuesday's \$393.25. In Zurich it also retreated from its mid-morning high of \$411 to settle at \$405.50, still up \$11 on Tuesday.

Yesterday's figures cap a month of fairly steady gains for gold, which had long been neglected by traders.

Bankers yesterday said investors had suddenly rediscovered the allure of gold and, after taking the price swiftly above \$400 an ounce, look set to drive it yet higher.

Prospects of economic sanctions against South Africa, and supply biccups there, had fueled the steady rise of the past month. Now, worries about renewed global inflation and the health of the world banking system are also cited as reasons why investors are seeking security in precious metals.

Westdeutsche Landesbank of West Germany predicted that a current recovery in oil prices and the weakness of the dollar could help push gold to \$450 by the end of the year.

Investors had virtually abandoned gold after it peaked in January 1980 at \$852, when inflation in the U.S. was still in double digits. Now, the fall in U.S. interest rates, orchestrated to promote economic growth, was seen as risking renewed inflation.

David Williamson, a senior analyst at investment bankers Shearson Lehman Brothers in London, said: "Investors may be questioning the level of the world's stock markets and be seeking an alternative haven for their funds."

Bank Julius Baer in Zurich, which had long advised against gold, even as "insurance," recently recommended it for 5 per cent of an investor's portfolio. Credit Suisse, which had suggested 5 per cent, just increased its recommendation to five to 10 per cent.

Christa Schroff, precious metals economist at Credit Suisse in Zurich, said investor buying had been brisk, but so had buying from gold mines themselves.

Many mining companies had sold their production for several months ahead when prices started to rise last month.

"The fact that the mines are now buying that back means they too expect the price will continue to rise," she said.

## Israel will ask Spain not to block EC trade accord

TEL AVIV. — Israel will ask Spain to stop hampering its efforts to renew a special trade agreement with the European Community and win additional concessions, when Spanish Foreign Minister Francisco Fernandez Ordoñez visits here next week.

Sources at the Ministry of Agriculture told The Jerusalem Post that ministry economists working with officials at the Foreign Affairs Ministry had put together a paper on the issue to present to Ordoñez after he arrives next Wednesday.

Israel is seeking increased access to EC markets for agricultural products, but its requests are being blocked by southern EC members,

most notably Spain. These countries compete with Israel in many agricultural sectors and would rather have the EC provide Israel with financial compensation than increased access.

Spain, which along with Portugal was admitted to the EC only last January, is also blocking Israel in an effort to force the EC to grant exports from the Canary Islands preferential treatment.

Arie Zeif, deputy director-general in charge of foreign trade at the Agricultural Ministry, said the EC Council of Ministers are due to meet September 16 to decide on Israel's trade status.

## Norway will cut oil output

OSLO (Reuters). — Norway said yesterday it was working on concrete measures to curb growth in its North Sea oil exports to help restore stability to volatile crude oil prices.

Norway's oil output, currently at 880,000 barrels per day, will rise to about one million barrels by the end of the year, barring government intervention as new fields begin production.

British authorities and oil companies operating in Norway will be contacted to sort through legal and technical problems linked to production restrictions. An Oil and Energy Ministry statement said.

## Tel Aviv Stock Exchange

## MARKET STATISTICS

Indices:		Turnovers:		425% fully-linked	
General Share Index	114.27+0.32%	Shares — total	NIS 9,162,800	80% linked	Rises to 2%
Non-Bank Index	101.83+0.48%	Arrangement	NIS 2,327,900	Double-linked	Stable/slight movement
Insurance	158.98+0.31%	Non-Bank	NIS 6,935,500	Admon	Rises to 0.5%
Commerce, Services	174.08+0.10%	Bonds — total	NIS 8,234,900	Rimon	Slight rises
Real Estate	188.18+0.03%	Index-linked	NIS 6,308,300	Gilboa	Rises to 1%
Industrials	130.45+0.02%	Dollar-linked	NIS 1,528,600	For. Curr. denominated	Falls to 1%
Textiles	182.81+0.2%	Treasury Bills	NIS 5,034,500	Treasury Bills	(annual yield) 18.20-18.75%
Metals	127.42+0.05%	Share Movements:		Arrangement yields:	
Electronics	88.59+0.16%	Advances	141 (95)	IDB ord.	16.48%
Chemicals	138.21+0.23%	of which 5% +	22 (15)	Union 0.1	16.53%
Industrial Invest.	108.19+0.18%	"buyers only"	2 (3)	Discount A	16.59%
Investment Cos.	138.23+0.13%	Declines	121 (208)	Mizrahi r.	16.50%
General Bond Index	108.82+0.28%	of which 5% +	22 (50)	Hapoalim r.	16.40%
Index-linked Bonds	110.50+0.28%	"sellers only"	5 (12)	General A	16.42%
Fully-linked	112.49+0.38%	Unchanged	122 (67)	Leumi stock	16.45%
Partially-linked	108.09+0.16%	Trading Halt	31 (25)	Fin. Trade 1	16.56%
Dollar-linked Bonds	93.57+0.22%	Bond Market Trends:			
Short-term 0-2 yrs	108.13+0.15%	Index-linked	3% fully-linked	Stable/slight rises	
Medium-term 2-5 yrs	108.28+0.17%				
Long-term 5+ yrs	103.56+0.88%				

## SELECTED PRICE QUOTATIONS

Name	Price	Volume	% 100NIS change
<b>Commercial Banks</b>			
Maritime 1	1070	4000	+0.8
General non-arr.	22751	31	-1.1
First Int'l	3585	63	+1.0
First	3935	2261	-
<b>Commercial Banks</b>			
(part of "arrangement")			
IDB	77420	475	+0.5
Union 0.1	57580	171	+0.5
Discount	98620	216	+0.5
Mizrahi	31850	1051	+0.8
Hapoalim r.	52871	905	+0.5
General A	134600	26+0.5	
Leumi 0.1	33450	1629	+0.5
Fin. Trade	44770	-	-
<b>Mortgage Banks</b>			
Leumi Mort. r.	5150	163	-1.7
Dev. Mort.	1700	1848	-
Mishkon r.	2188	313	-0.1
Tefahot r.	12423	44	+1.0
Mevav r.	5641	129	-
<b>Financial Institutions</b>			
Agrie C	no trading		
Ind. Dev. DD	no trading		
Clal Lending 0.1	13997	220	+8.5
<b>Insurance</b>			
Ararat 0.1 r.	959	1163	-1.3
Hassneh r.	513	17823	+1.4
Phoenix 0.1	880	724	+0.7
Hemshahar	6480	3	-
Manorah 1	2210	116	-8.0
Salah	4385	252	+2.0
Zion Hold. 1	9150	100	-2.7
<b>Trade &amp; Services</b>			
Meir Ezra	4790	56	-
Supersol 2	5408	875	-
Delek r.	3140	242	-
Lightage	14875	10	-
Cold Storage	2000	417	-
Dent Hotels	4202	348	-4.5
Yarden Hotel	3250	441	+0.8
Hilton 1	18900	29	+5.1
Team 1	1735	234	-
<b>Real Estate, Building and Agriculture</b>			
Aspirin	655	5718	-
Elion	1105	5159	+4.7
Africa Agr. 0.1	37500	185	-1.8
Denkner	4350	170	+1.2
Prop. & Bldg.	2710	854	+2.3
Yarden 0.1	4195	518	-
ILDC	33800	252	-
Rasco r.	10600	343	+1.0
Mehadrin	7220	83	+1.0
Hadarim	1080	1855	-2.3
<b>Industrials</b>			
Dubek b	3625	449	-
Pri-Ze 1	1548	1149	+3.1
Surfrost	8880	70	-
Elite	15200	283	-1.9
Adgar	1105	5159	+4.7
Argaman r	14785	83	+1.3
Delta G 1	2715	868	-
Maquette 1	28491	85	-8.6
Eagle 1	12500	85	+1.2
Polgat	3620	246	-1.9
Schoellern	14180	85	-0.7
Rogovin	2640	513	-7.0
Urdan 0.1 r.	7650	118	-1.3
Is. Can. Co. 1	1870	2496	+3.9
Zion Cables	2360	425	-
Pecker Steel	11601	301	+0.0
Elbit	353800	11	-
<b>Elron</b>			
Airt	287000	5	-0.3
Clal Electronics	1712	1308	-
Spectronix 1	1945	691	+0.8
T.A.T. 1	3000	434	-1.8
Alkarmel 1	1940	575	-7.2
Agan 5	19900	28	-1.8
Alliance	2500	628	-2.3
Dexter	3350	100	-
Fertilizers	6050	47	+1.0
Heifa Chem.	523	2807	-
Teva r.	60000	276	-
Dead Sea r.	4737	2485	+1.0
Petrochem.	624	18234	-
Neca Chem.	3301	-	-
Frutaron	14111	507	-14.0
Haders Paper	217000	42	-
Central Trade	6380	38	-
Koor p	508900	0	-2.0
Clal Inds.	1164	8572	-
<b>Investment Companies</b>			
IDB Dev. r.	3742	1542	+1.0
Elion	3060	533	+2.0
Adik 1	282	12888	-9.9
Galehot	1330	-	-0.2
Israel Corp. 1	7787	234	+0.5
Leumi Invest.	115300	0	+0.9
Hapoalim Inv.	5280	894	+1.7
Leumi Invest.	no trading		
Discount Invest.	2050	3028	-
Mizrahi Invest.	15000	31	+1.4
Clal 10	789	3716	-
Landeco 0.1	7080	180	-4.1
Parna 0.1	9000	143	+3.1
<b>Oil Exploration</b>			
Pac Oil Expl.	14200	160	-
J.O.E.L.	1930	2864	-5.3

## BUSINESS BRIEFS

## 'Spending boom no cause for concern'

There is no cause for alarm about the recent surge in private consumption nor should special measures be taken to curb it, the heads of the Treasury told Prime Minister Peres yesterday in a meeting at the premier's office.

Officials at the Treasury and the premier's office described the meeting as a routine, similar to meetings held periodically to update the prime minister on the latest developments in the economy.

The Treasury's director-general, Emmanuel Sharon, again stressed yesterday that in his opinion there was no reason for special alarm, or to attach special significance to the fact that the public prefers presently to consume than to save. The Treasury heads insisted during yesterday's meeting that despite the recent increase in the standards of living, they were still below their record levels of 1982 and 1983.

KASPOMAT MACHINES, operated by Bank Leumi, will allow regular cardholders to withdraw NIS 100 a day, up from the current limit of NIS 70, starting next Wednesday, the bank said.

Holders of Golden cards will be able to withdraw as much as NIS 300 a day, while holders of Youth Club cards will continue to be limited to NIS 70.

The rules will also cover customers of Leumi's affiliated banks — Igdal, Arab-Israel Bank and Bank Aliya — as well as the 220 automated bank tellers operated jointly with Bank Discount.

A FARM PROJECT WITH EGYPT will be explored by a special committee in the Agriculture Ministry, after a meeting earlier this week between Agriculture Minister Arye Nehamkin and Abd Al-Fatih Madoob, an Egyptian agriculture official.

The project would focus on farm products for export, with the first phase being conducted on a 5,000-dunam farm south of Cairo. The produce would be grown under plastic or in a greenhouse.

THE PRICE OF CALLS made from home telephones at restaurants and shops will be the subject of a Communications Ministry investigation.

The Ministry of Industry and Trade asked the Communications Ministry to conduct the probe after it received reports that businesses were charging customers to use their phones fees many times over the actual cost of a call.

## FINANCIAL DATA: ISRAEL, EUROPE, U.S.

## ISRAEL MONEY MARKETS

SHEKEL INTEREST RATES  
PRIME BORROWING RATE: 1.25% per month  
Unlinked Deposit (Annual Rates)

	Last Updated	Tapas	Pekam 7-Day Pekam 30-Day
LEUMI	3.9	7-17.50%	8-18.00%
HAPOLIM	28.8	8-15%	10-15.50%
DISCOUNT	12.8	8-15.50%	8-16%
MIZRAHI	8.5	8-16%	10-19%
FIRST INT'L	23.7	6-15%	8-17%

Rates vary according to size of deposit.  
(Tapas: demand deposit paying daily interest.  
Pekam: fixed-term deposit available from 7 to 59 days.)

## PATAH — FOREIGN CURRENCY DEPOSIT RATES (September 2)

(September 2)				
	MINIMUM DEP	3-MONTHS	6-MONTHS	12-MONTHS
USD (\$100,000)	5.000	4.875	5.000	
STG (£10,000 pounds)	8.500	8.250	8.250	
DMK (100,000 marks)	3.500	3.500	3.500	
SFR (50,000 francs)	3.250	3.250	3.250	
YEN (3,000,000 yen)	3.250	3.000	3.125	

Rates vary according to size of deposit and are subject to change



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## The moral censors

WHEN MID-SUMMER arrives and the Knesset goes out on its summer recess, the backlog of unfinished parliamentary business tends only to swell with fresh troubles ostensibly needing early attention.

For the most part, though, the Knesset is always willing to bide its time. The country's schools may be on the brink of collapse, the hospital nurses may be threatening a total walkout, and the High Court may be calling for a reconsideration of the president's power of pardon: the Knesset, unmoved, stares blankly ahead. For one thing, there is the executive branch to take care of immediate catastrophes. Besides, the Knesset will in any case be back in regular session again, after the High Holidays.

Nevertheless, yesterday a group of twenty public-spirited Knesset members led by the renowned "moshav movement rabbi," the Alignment's Menahem Hacohen, presented an urgent motion for the agenda the overwhelmingly pressing matter of the Shabbat flea-market sponsored by Kibbutz Nir Eliahu. Before the motion was dismissed, the Knesset conducted a debate which must have marked an all-time low for sheer impudence, irrelevance and waste of time.

The anti-pishpeshuk forces did not seem to mind that the legality of the flea-market will be due for a test in a Petah Tikva court next week at the behest of the attorney-general, who contends that the original licence granted to the organizers was invalid. What interested these law-makers was the alleged reflection, in the pishpeshuk, of the calamitous moral decline of the kibbutz movement into crass commercialism, and the creeping destruction it indicated of the status quo in relations between the state and religion.

First, then, the moral issue. The Nir Eliahu flea-market is admittedly something less than a shining jewel in the kibbutz movement's ideological crown.

What it is, is another in a long list of kibbutz concessions to modernity and economic exigency. Such concessions have almost invariably caused a good deal of soul searching in kibbutzim. In the summer of 1942 the members of Kfar Giladi, having decided on their contribution to the Yishuv's defence if or when the Germans invaded the country, went straight on to agonize over a proposal to set up a rest-home for outsiders inside the kibbutz.

The proposal was eventually endorsed, for economic reasons, but not before dire predictions of internal moral corruption were freely hurled across the general-meeting hall. The members of Nir Eliahu may have similarly agonized over their pishpeshuk, which they view as an economic godsend at a time of great financial difficulty.

It may have been the wrong decision, after all. The kibbutz movement as a whole may have taken more than a few decisions in recent years that represent a departure from the pristine purity of the collectivist ideal. But what is that to the members of the Knesset? When were they ever constituted as the moral censors of the kibbutz movement?

Then there is the issue of the status quo. But the question inevitably arises: In what sense does the Nir Eliahu flea-market differ from every soccer game played on the country's fields most every Shabbat - except in the sense that soccer games on Shabbat are an established feature of the Israeli way of life, which not even the most extreme among the Orthodox would dare openly challenge, while the pishpeshuk is, at worst, a minor innovation as a recreational experience?

If a viable national consensus on the proper delimitation of the sphere of obligatory Jewishness in the Jewish state is to be reached and enforced, the bogus status quo - which has lately become for the most part a springboard for the expansion of rabbinical jurisdiction - must be closely re-examined, and thoroughly revised.

That is the one constructive lesson from yesterday's silly debate in the Knesset: and if that lesson seeps in, the debate may have served some purpose after all.

## Keeping the edge

THE COUNTRY'S universities are not merely in dire financial straits: they are facing ruin, and some of them may have to refuse admittance to new students this coming academic year. The unkindest cut of all in their budgets - the sum of \$10 million - ordered by the government last week was in fact only the latest in a series of axings that, since 1973, had come to a total of \$50 million.

The government which took the decision last week should in fairness also have instructed the university heads how they ought to go about implementing it: by closing down of whole universities, or university departments? Or by the mass firing of professors and administrators? Or by the overall slimming down of the student body? But the government, firm as always in its adherence to the principle of academic freedom, left the choice to the university heads themselves.

This is preposterous. The government cannot take away the universities' life-support systems and advise them to just keep up their good work.

True, the universities have not uniformly managed their financial affairs with exemplary efficiency: the recent "discovery" by the Hebrew University that it was short of an extra \$20 million was hardly funny, even if due to a computer foulup. But this is not the source of the universities' troubles. Nor is it the universities' failure to still better their record of administrative streamlining, which is arguably the best of any large-scale organization in the land.

Nor, for that matter, can any real hope be pinned on the Friends of the various universities abroad stepping up their already impressive fund-raising efforts.

True, too, the universities' response to the government's decision was abominable. The murderous requirement of a NIS 1,500 deposit sprung on all students - to be repaid on graduation interest-free, and apparently unlinked - is, as the education minister, Yitzhak Navon, put it, not only economically untenable but immoral. This virtual student-banishing measure may - indeed must - have been meant as a means of enlisting the students in the fight for the restoration of the higher education budget cut. But in the meantime it has only brought down upon the heads of the universities a torrent of abuse, not least from the students themselves, who are now threatening to stay away from classes when the universities reopen.

In the final analysis, however, the university heads are but prisoners of government policy. Deciding to deny the universities another \$10 million is easy: now the government must decide whether it remains committed to first-rate higher education - and education in general - or whether it is willing to make do with the second - or even third-rate variety.

If the latter is the case, the government should at least call a moratorium on high-flown oratory about Israel's resolve to maintain at all cost its famed qualitative edge.

## Give Soldiers Lifts!

John Farrar

ISRAEL has two overwhelming concerns regarding the USSR. One, widely recognized, is wrapped up in the issue of Soviet Jewry. The second encompasses Israel's security and the involvement of the USSR in our struggle with various Arab states and movements.

Prof. Mikhail Agursky was right (*Jerusalem Post*, August 28, 1986) in arguing that the latter is in many ways more important because it involves the nation's security and survival. But he is wrong to imply that there is any inherent contradiction between pressuring the Soviets both to promote Israel's security needs and to help Jews either live freer lives within the Soviet Union or to emigrate and make aliyah. His "second lesson of Helsinki" has merit in suggesting that pressure has to be applied in a more sophisticated manner than many of the statements of some of our politicians would seem to indicate.

Soviet leader Mikhail Gorbachev is attempting to achieve the same old Soviet foreign policy objectives and to protect existing Soviet gains and positions of influence by means of a political détente with the U.S. In the Middle East, these goals are: enhanced access to the Mediterranean Sea, Africa and the Indian Ocean; free access to and eventual control of Middle Eastern oil; protection of the USSR's southern Moslem internal empire from the influence of either foreign powers or resurgent Islamic fundamentalism; and even - as long as it does not interfere with any of the other goals and is subservient to Moscow - the spread of communism. But the overriding objective of Soviet Middle Eastern policy is the establishment of political-military foundations to pressure the West politically and to outflank it and defeat it if an unwanted war should break out.

The Arab-Israeli conflict serves Moscow in gaining access to the region and as a mechanism for expelling the U.S. from the area. No matter what is said to the contrary, Moscow does not (and cannot) want the Arab-Israeli dispute to end. At the same time, the Kremlin does not want the dispute to get out of hand to the extent of risking a direct military confrontation with the U.S. Consequently, the Soviets take a moderate line in area politics - at least publicly.

During a period when the Soviets seek détente with the U.S., Moscow wants to avoid the appearance of confrontation in the area.

This is translated into more frequent and visible words and actions designed to minimize ruffling of U.S. feathers. But because of long range, more fundamental regional goals, these words and actions are kept as ambiguous as possible and are usually accompanied by other words and other actions designed to reassure other audiences. Most, if not all of the ambiguous signals from the USSR and Eastern Europe, which have generated such hopes and so many hasty suggestions for Israeli policy stances, must be seen

as attempts at creating images helpful in the pursuit of a tactical détente with the West but largely devoid of real content for Israel.

IN HIS August 31 article in *The Jerusalem Post*, Shlomo Avineri expressed the fundamental truth that Israel's hopes for better treatment and freer emigration for Soviet Jews largely rests on the re-emergence of a U.S.-Soviet détente. However, a new détente, unless far more meaningful than that of the 1970s, might not benefit Israeli security. Certainly the Nixon-Kissinger sponsored détente of the early 1970s did not prevent (and even may have facilitated) the Yom Kippur War. Israel should hope for a new détente that is firmly based on U.S. and Western strength, and on a clear (if unstated) linkage between the central U.S.-Soviet relationship and regional behavior.

There are differences between Brezhnev's and Gorbachev's détente strategy, differences which should benefit (at least in the short to medium term) Israel. Brezhnev's tactical détente was largely aimed at facilitating a one-sided military buildup and giving the USSR and its allies a freer hand in the Third World. Gorbachev's is aimed at giving the USSR a respite in order to restructure and revitalize its economy.

But even with a détente, Gorbachev is likely to find that it takes a very long time to achieve his economic goals - if they can be realized at all without fundamental systemic changes which could transform the USSR into a different kind of international actor. Therefore, any détente structured to meet the real interests of both the East and West could possibly create a situation in which the Soviet Union would play a more constructive role in our region. Such a scenario may be overly optimistic and in any event, there is little that Israel can do to bring it about other than to abstain from unnecessarily initiating any local crises. Israel can also encourage its friends in the West to only support détente based on strength and linkages.

THE QUESTION of Soviet participation in any future Middle East peace conference and the re-establishment of Soviet-Israeli diplomatic ties are two lesser issues in global terms - about which Israeli policy needs to be realistically thought out.

Given that Moscow has a big stake in maintaining the Arab-Israeli conflict, the Soviets really have very little interest in any Middle East peace conference in times of U.S.-Soviet confrontation. In connection with a Soviet-U.S. détente, or if unavoidable due to local initiatives, a peace conference has advantages for Moscow in terms of its image - but only as long as the Soviets participate and the conference is not allowed to produce a real and lasting peace. If this were all that there was to the issue, the conclusion would be inescapable that (except as a last resort to get the Arabs into direct negotiations and with Soviet participation very limited and carefully controlled) it would hardly be in

Israel's interests to allow Soviet participation in any conference.

But there is more to the question, and that is the issue of Soviet Jewry. A peace conference (especially during a period of relative U.S.-Soviet détente) could be expected to be accompanied by some gestures on Moscow's side toward greater Jewish emigration. If this linkage is not made explicit, it should be possible for our government to use acceptance of limited Soviet participation as a lever for helping Soviet Jews.

Clearly we have a dilemma in which one policy (opposing Soviet participation) is more beneficial in terms of security, while the opposite stance (allowing the Soviets a role) could aid Soviet Jewish aliyah. Normally, the solution to such a dilemma would be to choose the policy on the basis of security since without security, helping Soviet Jewry would be quite academic.

But a Middle East peace conference would not be a "normal" situation. Given the basic intractability between Israeli and Arab positions on some of the issues (e.g., Jerusalem), no peace conference is likely to bring the utopia of a complete and lasting peace. It can lead only to partial results, either in terms of our security and relations with some neighbours or in terms of our image around the world - an image which may be vital in the long run. A Soviet presence could also make it harder for Israel to create an image of the reasonable party at such a conference.

Thus, Israeli policy-makers have to balance what can be reasonably expected to come out of a conference unfettered by the USSR's meddling with the possibility of influencing Moscow to free Jews, in determining whether to acquiesce to Soviet participation. If we can reasonably expect dramatic results in terms of security and peace, we should resist Soviet involvement and minimize it if we cannot prevent it. If, as is far more likely, any such conference has little hope of obtaining dramatic results, Israel should try to strike an unpublicized deal with Moscow wherein we would drop our objections to Soviet participation in return for a clear, if tacit, agreement on emigration. However, due to the risks involved in any Soviet participation in a peace conference, we should first look for other ways to help the Jews of the USSR.

THE ISSUE of diplomatic ties is similar. Aside from acting on the principle that it is preferable to have diplomatic relations with all sovereign states, Jerusalem would benefit little in having formal relations with Moscow. Ample channels for diplomatic discourse exist whenever both sides wish to use them. Moreover, given that Israel is basically an open society, a Soviet diplomatic presence would mostly boil down to a greatly increased opportunity for espionage and subversion.

Again, however, the issue of Soviet Jewry changes the equation. An Israeli presence in Moscow should at least provide a psychological boost for Soviet Jews and, in spite of the more effective restric-

tions which would be imposed on the activities of Israeli diplomats, should allow some additional channels for direct contacts with and assistance to some of them.

These conditions would hold as long as such diplomatic ties were not established in circumstances which could be construed as Israeli acceptance of the current status quo in regard to Soviet Jewry. To avoid this, Israel should only seek or accept renewed diplomatic relations with the USSR if some Soviet accommodation on Jewish issues were part of the package - an advance part, not a hoped-for follow-on.

There are some reasonable possibilities of bringing this about. On the face of the matter, it would seem that Moscow would not really be very interested in seeking diplomatic ties. The costs, in terms of some Arab states and for global Soviet propaganda with its anti-imperialist, anti-Zionist leitmotif, would seem too great. But this is not the whole equation. Moscow greatly fears and opposes any Middle East peace negotiations or conference without its participation. Whenever the prospect for such a development increases, there are incentives for the Soviets to become the supplicant for the re-establishment of diplomatic ties and Jerusalem has a lever to entice the Soviets into making some accommodations in regard to Soviet Jewry.

The growing strategic cooperation between Israel and the U.S., and Israeli participation in such projects as the SDI and the building of the VOA transmission facilities, might also spur Moscow to seek diplomatic relations with Israel, even at some costs. Quite contrary to the simplistic view that these developments are barriers to relations, they serve to greatly encourage Moscow to seek ties. This is because this kind of enhanced and active cooperation between Israel and the U.S. in matters extending beyond the Middle East tends to make Israel more like the NATO states and other direct U.S. allies. For the Soviets, the importance of a presence to influence politics and conduct espionage operations grows in direct proportion (possibly in geometric proportion) to the degree that the state in question increases its active participation and cooperation with the U.S.

THEREFORE, Israel's interests in diplomatic ties with the USSR should be connected to Soviet Jewry - no other rationale is worth the other costs. To achieve gains in this regard, Moscow - not Jerusalem - must be the de facto supplicant (the Soviets would never openly assume this role). This can only be achieved via active and close strategic cooperation between Jerusalem and Washington or by permitting controlled Soviet participation in a peace conference as part of a quid pro quo. Part of the deal has to be increased Jewish emigration. Under no circumstances should Israel ever be the supplicant for the renewal of diplomatic ties.

The key to achieving the desired linkage between either a peace conference play or the establishment of diplomatic relations is the fiction of

no linkage. Professor Agursky is absolutely correct in arguing that Moscow will never accept a situation where it is seen as having been coerced on this issue. No formal agreement linking Jewish emigration rights would be acceptable, but there are many ways to achieve de facto linkage while providing the Kremlin with a fig-leaf to cover its nakedness. Of course, such an arrangement would be temporary, but temporary is better than nothing at all.

This brings us to the issue of the utility of pressure on the Soviets as a means to obtain concessions on Jewish issues. Ironically, both Natan (Anatoly) Sharansky and others who argue that only pressure will cause Soviet movement on these issues, and Agursky who believes that declared pressure is counterproductive are basically correct. But Sharansky is more correct.

The Soviets do nothing that they find objectionable unless they have to.

Granting freedom to emigrate to any group in Soviet society would open too many Pandora's boxes in the USSR which has so many ethnic, religious and cultural groupings. In addition, Jewish emigration would not strengthen Moscow's relations with anti-Israeli Arabs - although this obstacle could undoubtedly be overcome by the Soviets if they have sufficient incentive to do so. Finally, ideological appearances (appearances - not ideology *per se* - is what really concerns the Kremlin) make it difficult for Moscow to accept anything which suggests that the USSR is not the paradise that it is supposed to be.

Therefore, any accommodation can only come if the pressures, both internal and external, leave no alternative. Needless to say, the continuation of internal pressure on the part of Jewish activists is directly linked to the degree of external pressure, and the sense of solidarity and support that it engenders.

The other - and proven - route to greater Jewish emigration is as an adjunct to East-West détente. Here, too, reality suggests that aside from an occasional gesture to "sweeten the pot," stepped up emigration will only come about if Moscow is convinced that it is a necessary precondition to achieving or maintaining a détente.

If all this is true, then why is Professor Agursky also right? The answer is found in his use of the words "declared pressure" against the USSR. He is absolutely correct if we take "declared" *de jure* precondition. This would be seen as too blatant an attempt at coercion and would be quite unpalatable to Moscow. What is needed is vigorous and continued public pressure, accompanied by much more ambiguous formulations of the linkage factor in official government pronouncements, and by quiet diplomacy which makes it very clear to the Kremlin that the linkage does in fact exist. And for this Israel must greatly depend upon the U.S. (and, if possible, on Western Europe).

The writer is head of the Department of Strategic Studies at the International Research Centre on Contemporary Society.

## READERS' LETTERS

## PROPAGANDA AT NEVE SHALOM

To the Editor of *The Jerusalem Post*: Sir, - I recently attended the International Congress of Applied Psychology in Israel, which was well-organized and a tremendous success. An optional tour to Neve Shalom was, in contrast, painfully disappointing. We had heard that it was an attempt by Father Bruno Hussar to establish a settlement where people could coexist at a level above racial, religious and political differences, thereby setting an example for the world. The actual visit was quite a shock.

We were asked to wait a rather long time, then ushered into a tiny room and shown a videotape of Neve Shalom. We were then informed at length by the settlement secretary, Mr. Elias, why it was necessary for a Palestinian state to be established before any dialogue between Jews and Arabs could take place, and why all Israeli school children should be educated about the Green Line, so it would not be forgotten. Several of us reminded Mr. Elias that the history of Arab-Jewish relations did not begin with the Green Line, but it was very clear that our host was only

## NORTH AFRICAN IMMIGRANTS

To the Editor of *The Jerusalem Post*: Sir, - The letter in which Amiel Alcaiy and Shlomo Elitz took me to task for my wild generalizations on Moroccan and North African immigrants (August 10) has just come to my notice.

I should like to begin my response to their very valid criticism by apologizing most sincerely for what was obviously a blanket comment that must have given offence not only to them. I had no intention of maligning a group that has contributed enormously to the development of Israel. My personal involvement in grassroots self-help movements such as Ohel Yosef, as well as the work done in integrative education at Pelech, can perhaps better testify to my attitude than a sentence from an interview which dealt, often superficially, with an enormous range of topics.

However, I would still stand by the essence of my remark. A variety of very wide-ranging social and psychological phenomena (including a totally mistaken absorption policy) caused deep and widespread frustration and misery among many immigrants from North Africa during the fifties. The almost inevitable response of some of them was to resort to physical violence.

interested in his own version of history. He told us nothing of Bruno Hussar's philosophy, even on request, and portrayed him as a figure of only minor importance at Neve Shalom.

Our "tour," which was given only at our request and only after two hours of propaganda in the tiny room, consisted of walking 100 paces to the school and back. There was a complete lack of energy or interest on the part of Mr. Elias toward anything but his own narcissistic political aims.

It is tragic to see what began as a noble experiment reduced to a platform for one-sided Palestinian political propaganda, and to see well-meaning tourists, some of whom were not well-informed, being abused and misled. It was not only the complete absence of a Jewish perspective that bothered us. It was also the disintegration of yet another ideal.

RITA WATSON,  
Assistant Professor of Educational Psychology,  
University of British Columbia  
Vancouver, Canada

## SOUTH AMERICAN WARS

To the Editor of *The Jerusalem Post*: Sir, - Hanan Sher's article of August 27 about South America was very interesting. However, I would like to set the record straight on one point.

Bolivia was not engaged in a war with Peru in the 1940s. Bolivia lost its access to the sea in the late 19th century in a war against Chile and not Peru. As a matter of fact, Peru and Bolivia were allies against the Chilean aggression.

HUGO FLEISCHMAN  
Jerusalem.

## ANTI-SEMITISM IN GERMAN CULTURE

To the Editor of *The Jerusalem Post*: Sir, - I refer to the recent discussion of Richard Strauss's Nazi connections. One particularly distasteful aspect of these was his association with Hans Frank, the general-governor of Poland. I recall Albert Einstein's late secretary Helene Dukas telling me a few years ago of this. She recounted how Klaus Mann (Thomas Mann's son) had turned up at the Strauss house in Garmisch-Partenkirchen in an American army uniform which attracted a sarcastic remark from Strauss. Mann had then searched the house and found hastily hidden under the piano a signed photograph of Hans Frank inscribed

"to my dearest friend Richard Strauss."

The reason for this association, which was initiated by Frank, was Strauss's need to protect his Jewish daughter-in-law and grandchildren, who indeed were able to attend school until the end of the war.

Another problematic aspect of Strauss's conduct is his song *Das Baechlein* (The Brook), which ends with an exultation to a "Fuehrer." This pretty little song (which is still occasionally sung in public recitals) was set ostensibly to words by Goethe although these have yet to be discovered in any collection of

Goethe's works. In any case, the song was written for Goebbels.

Although guilty of the odd anti-Jewish remark, Strauss can scarcely be considered a true Nazi sympathizer and is certainly not to be put in the same class as Wagner, who was an embodiment of hatred and the figure who did more than anyone else to legitimize the place of anti-Semitism in German culture. In this respect, the blanket ban on Wagner, Strauss, Lehar *et al.* somewhat blurs the need to treat Wagner as an utterly unique case.

PAUL LAWRENCE ROSE  
Haifa.

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